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PERIODICAL READING ROOM

Breeding Ground of Communism—*F. Neilson* 113
Economic Development in Japan—*W. Lissner* 124
Freedom: Its Complications—*L. Freund* 125
Inflationary Dangers in the Arms Boom—*G. S. Benson* 137
Intellectuals, Concentration Camps and Black Propaganda—*H. Becker* 139
America's Self-Defeating Materialism—*C. W. Mayer* 143
Jeffersonian Democracy: Its Significance—*G. E. Hoover* 145
New Chinese Agricultural Tax—*W. Lissner* 151
Geopolitics of the U.S.S.R.—*J. S. Roucek* 153
Making New Farm Techniques Pay—*T. S. Harding* 159
Marx's Influence on American Thinking—*A. M. Rose* 161
Age-Old Problem of the Land—*A. Johnson* 174
Achille Loria: Agrarian Determinist—*P. Meadows* 175
Street Railway Controversy in Cleveland—*R. H. Bremner* 185
Justice as an Economic Concept (Comment)—*A. M. Goldfinger* . . 207
Social Scientist in the 'Open Society' (Review)—*K. E. Bock* 211
Contributors 220

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The Breeding Ground of Communism

Why 'Preventive' War Would Defeat the Cause of Freedom

By FRANCIS NEILSON

The Crusade Against Communism

THERE IS NO POLITICAL or social reason why any intelligent man should blink the fact that America and, perhaps, Western Europe are engaged in a crusade to overcome what is called communism. Therein lies a danger which may threaten to destroy that objective. A Third World War, we should know by now, cannot possibly be waged by a free community. If the power to be conquered is completely totalitarian, the power that opposes it must be totaltarian too. The conduct of World War II should be sufficient lesson for us to realize, before we enter upon another, that the strict disciplines of the enemy, exercised for many years before the conflict took place, brought speedy results, to the discomfiture of the democracies.

Therefore, it behooves us to ask ourselves whether piecemeal preparations for a third war will save us from the immense power of our enemy. It may seem strange to the ordinary man that the free and easy methods of the democracies in days of peace should be sacrificed before war is declared, and that the United States and Great Britain should institute, even in a cold war, disciplines that are different from those of Soviet Russia only in the label it is convenient for us to put upon them.

Already serious thinkers are reminding us of the suffering we have had to endure for over thirty years. It is well that this should be pointed out, but whether it will have any effect on politicians or their electorates is a matter that cannot be determined. There is no Gallup poll that might help us to ascertain the thought of the people on this subject. Moreover, it must be conceded that public opinion today is made, to a great extent, by the last message broadcast over the radio.

There seems to be a feeling abroad that the majority do not look for a Third World War. We may have a few officials and laymen who think that the best way out of the mess is to have what is called "a preventive war," but this is an idea that is quite foreign to the mass of people. However, it is an extremely dangerous view to hold, particularly when it is advocated by a prominent member of a cabinet.

The Political Aspects of War

THERE ARE FACTORS in the present phase of affairs which should be pondered deeply before we commit ourselves to an ideological crusade in which we should have to adopt the strict disciplines of the enemy. One factor is the political significance of war as an industry. He would be a short-sighted man who was blind to the fact that the rumors of war alone are almost sufficient to accelerate the wheels of industry and to mop up the remnants of the unemployed. The draft, mobilization, and training of men for the various fighting services demand more and more munitions. Industry is speeded up to fill the maw of the devouring monster, war.

Another factor is the political situation of the parties: the call to arms neutralizes the opposition forces, and draws everyone into the net of political patriotism, in favor of the ruling administration. This means that the dividing line between political democracy and communism, so thinly drawn by particularists, vanishes when Congress or Parliament determines the hour for the start of the conflict.

The most precious thing that remains for us to cherish in our system of government is the power of the electorate to petition legislators to make reforms for its benefit. But this can only be exercised during a period of peace. Once the declaration to fight has been made, there is no opportunity whatever to ameliorate the sufferings that are now endured, even in the freest political democracy that can be imagined. Under totalitarian disciplines, which would have to be adopted, one thing and one thing only would be of importance, and that would be the general

exertion to wage the war to a successful military issue. "Victory!" would be the insistent slogan all round the clock, and those who would attempt to put forward claims that Congress should deal with reforms long held in abeyance would be looked upon as shirkers or defeatists. It was so during the First World War and the Second, and such would be the case in a Third World War. This precious power of the electors would disappear, with no hope of its being regained.

There is still another matter to be considered, and that is the objective of such a conflict. It is held by many that, if it begins, it will be for the purpose of protecting ourselves from communism of the Soviet brand. Whether this be a reasonable excuse for bringing more suffering upon the world or not must be left to the intelligence of those who are asked to fight and support the forces. For twenty years after the Treaty of Versailles, communism was as firm a doctrine in Russia as it is now. But no one suggested that it was a danger to democracy. At least, no one thought of committing any nation to an ideological crusade against it.

It may be pointed out that in the days of Napoleon Bonaparte, republicanism was regarded with much of the same horror as communism is today. Yet, after the ravages of Europe—long after Napoleon was sent to St. Helena—republicanism had not been killed in France. Before Pitt began his crusade against Napoleon, a form of republicanism in the American colonies was looked upon with loathing by George III and his ministers. And after all the fighting, republicanism lived on, and today any man who desires may read the Declaration of Independence and learn what it was all about.

The Failure of War Aims

SURELY THESE EXAMPLES show that you cannot shoot holes into an idea. Whether it be right or wrong is not the chief question, but it does mean that untold suffering was brought to the people and that the crusades failed. The objectives of makers of war are seldom reached. World War II began for the purpose of protecting the sovereignty of Poland against Hitler's assault. But very soon after Poland was overthrown, other aims had to be invented.

After six years of terrible suffering, it was admitted that the only objective that had been gained was a military victory, which placed Stalin so far west in Europe that he has ever since been a menace to the democracies. As for the defeat of dangerous ideologies, the war settled nothing. Indeed, it made matters worse for the politicians of the west, and now we are reaping the deadly fruits of their blunders and those of their unen-

lightened supporters. Our lot during the phase of the cold war has been bad enough.

The destruction to life and property in Europe, to say nothing of what it was in the rest of the world, was so enormous that the expenditure reached the amazing figure of a trillion and many billions of dollars. Today there are sad reports of homeless people suffering in lands to which we promised to bring peace and happiness. We are now informed that northern Africa, from Casablanca to the Nile, is seething with discontent, and that the distress of many of the natives is woeful in the extreme.

It may be asked what we have accomplished, when we are called upon to defray the cost of rehabilitating the peoples of countries that fought with us in the crusade of the Second World War. Surely, there is no more effective way of turning hungry men's minds to such a doctrine as communism than a devastating war. War gave Lenin and Trotsky the opportunity to enter Russia and overthrow the Czarist regime. It also gave the opportunity to French communists to gather strength in their country.

But the doctrine of the Soviets was rife in many countries before Neville Chamberlain gave the pledge of support of arms to Poland in March, 1939. War enlarges the field for the dissemination of the ideas of communism. The doctrine of the Kremlin feeds upon suffering, material stint, "the slings and arrows of outrageous fortune" that hit the impoverished day by day and make the hope of a better morrow a thing of gloom.

Debating the Doctrine of Communism

WHAT, THEN, MIGHT BE DONE to protect the millions from the virus we all dread? Is it not a better way to rid ourselves of this menace by answering doctrine with doctrine? Have we not learned that it is not sufficient to tell the people what Stalin's communism is in practice—an enslavement of the workers, a restriction of thought, and a deprivation of all spiritual attributes—in short, a slave system under the will of a bureau?

The intelligent workingman of a generation ago desired a clearer idea of what communism really is in theory than his fellow of today demands of our instructors. When discussions were held at the Cooper Union in New York over fifty years ago, the practice of debating doctrine against doctrine brought enlightenment to the audiences that attended the meetings. And that was at a time when there was little or no danger of communists overturning the government of the United States and setting up a regime in Washington.

The proposals and conceptions of communism were then analyzed by some of the shrewdest thinkers who lived in New York. And so convincing were the method and clarity of the exposition that the communists made little or no progress. If some of those thinkers were here today, they would be amazed to know that people indulge in such nonsense as to believe that theoretical communism is practiced in Soviet Russia.

It is difficult to understand the reasons for the fear of Soviet communism (or what goes by that name) which has been implanted in the minds of our political mentors. There is no earthly chance of Russians in Moscow changing our system of government. If it is to be done, it will be effected by the so-called communists in the United States.

Lenin, in "State and Revolution," says:

> The essence of revolution is not that a new class shall govern by means of the old governmental machinery, but that it shall smash up this machinery and govern by means of a new machine. This is a fundamental idea of Marxism.

This seems to me to be clear enough. If the machinery of our government is to be smashed, it will be done by the electorate of the United States. No one knew that better than Lenin himself, for revolutions spring out of the dire distress of the people in the State to which they belong. Therefore, the first step that should be taken to avoid such a catastrophe is to enlighten the people, so that they may force their legislators to redress their grievances.

Two years after the "Communist Manifesto" was published there appeared in France a pamphlet called "The Law." It was written by Frederic Bastiat, an economist and a deputy to the legislative assembly. A version of this famous work has recently been published by the Foundation for Economic Education. Every member of a legislative body in this country should get a copy of this booklet. Bastiat tells us that "The present-day delusion is an attempt to enrich everyone at the expense of everyone else; to make plunder universal under the pretense of organizing it." (p. 21)

He then goes on to show the labyrinths of the plunder system of government, and, strangely enough, they are those that we know only too well here in the United States. For he points out that tariffs, subsidies, progressive taxation, guaranteed jobs, minimum wages, the "right" to relief, and many other such fiscal by-ways into the pockets of the producer are all part of legal plunder and constitute socialism.

Bastiat, having made good his case against the *Plunderbund* of govern-

ment called upon the people to refute the pernicious doctrine of Marx and Engels. He said:

> Now, since under this definition socialism is a body of doctrine, what attack can be made against it other than a war of doctrine? If you find this socialistic doctrine to be false, absurd, and evil, then refute it. And the more false, the more absurd, and the more evil it is, the easier it will be to refute. Above all, if you wish to be strong, begin by rooting out every particle of socialism that may have crept into your legislation. This will be no light task. (p. 22)

Refute it! That is what we have to do. It was difficult one hundred years ago, notwithstanding men like Bastiat in France, in Germany, and in England. Today it is easy. The only reason it is not done is that men are lazy, and will not take the trouble to study the question. Is it necessary to fight, to try to shoot holes into the idea? The notion is preposterous. Montalembert was accused of desiring to fight socialism by the use of brute force. What was his reply? "The war that we must fight against socialism must be in harmony with law, honor, and justice."

What is required today is enlightenment. Our legislators seem to be no better informed than the people themselves. Neither from pulpit nor from rostrum has a clear statement been presented of what the ideologies are that they hear so much about. Our libraries contain hundreds of volumes by some of the world's keenest thinkers on socialism and communism. It may be doubted whether any well-known book of the past two centuries has been submitted to such closely reasoned analysis as "Das Kapital." And, yet, we have instructors in our institutions of learning who reveal in their writings that they are ignorant of such works. It is not necessary to mention the authors of French and German volumes who have thoroughly dissected Marx's theory of surplus value and labor time. Two books which might be easily obtained in a well-ordered library are Professor Robert Flint's "Socialism" and Max Hirsch's "Democracy Versus Socialism." In them the intelligent reader will find a complete reply to Marx.

But socialists themselves have written many illuminating works that expose the fallacies of the authors of "The Communist Manifesto" and "Das Kapital." These books should now engage the attention of all people who dread a Third World War, for they cover all the vexed questions that have arisen since Marx wrote his chief work.

Fifty years ago the thoroughgoing communist accepted the following statement of the proposals and conceptions of socialism and communism: the State shall control all the means of production, distribution and ex-

change, *for the equal benefit of all;* and the State shall have power over persons, their faculties, and possessions. This was the theory accepted by State socialists and communists, who scorned to enter the political arena. The impossibility of putting such a scheme into practice did not concern them very much, for they were specifically interested in announcing an idea in opposition to the theories of Proudhon and Bakunin, the anarchists. No such theory has been put into practice in any country. Indeed, Stalinism is so far divorced from the original idea of Marx and Engels that it is impossible to understand how anything that is done in Russia can bear the label of communism.

It might be asked how any sensible man could imagine that the proposals and conceptions of socialism, as stated by Max Hirsch and Robert Flint, could be put into practice, once the omnipotent, bureaucratic State was set up. The impossibility of distributing the products of labor, *for the equal benefit of all,* turns the idea into an utter absurdity.

What goes by the name of communism today is nothing more or less than bureaucratic control of the workers. They are slaves of the State, and Franz Oppenheimer, in his work called "The State," proved conclusively that it (the State) "is the organization of the political means to exploit the economic means." Power over producers is the bureaucratic aim.

The fear of the power of Stalin and his associates to spread the doctrine of communism abroad is a recent one. Not so long ago he was a valuable ally, and no one seemed to be much afraid of the system of government he had inaugurated. In this war against ideology, it also should not be forgotten that years before the names of Lenin, Trotsky, and Stalin became current in the press, the doctrines of communism and socialism were preached freely in this country as well as in Great Britain. For at least ten years before the First World War this writer was debating these questions.

As recent, in this generation, as the beginning of the Roosevelt regime, there were coteries in our institutions of learning that advocated a system similar to the one practiced in Russia. Many of our intelligentsia then declared that they were opposed to the capitalistic system and held strong views as to the necessity of inculcating students with the ideas of Fabianism, as expressed by the late Harold Laski. There were, in our midst, hot gospellers of the creed of socialism of sufficient influence to make an impression upon young minds, before anyone thought of starting a violent crusade against Soviet Russia.

All the nostrums of so-called reform, that flutter about in the minds of politicians, are tainted with the desire to perpetuate the system of taxation of wealth, so long as the people will permit them to do so. They will promise reform of it, but even the sincerest finds, once he becomes a member of a legislature, he is hedged about by a thousand and one other claims that crowd in upon his desire for the lifting of burdens. He becomes a victim of the system, and he must either lend himself to the surge of the political tide or resign. How many do so, when they know that there is not the slightest chance of positive reform being brought to the notice of Congress or Parliament? The demands for expenditure on the great services, as sops and doles, are so vast that reform of the system of the taxation of wealth seems an impossible goal to be reached.

In all this mêlée, we overlook many features that might be lost entirely if a Third World War took place. We should guard closely the political and social opportunities that have not yet been filched from us.

War and the Seeds of Socialism

THE HISTORY OF THE PAST 150 years reveals as clearly as possible the fact that there is no surer way of preparing the field for the seeds of socialistic notions than war. The condition of Europe, from the time of Waterloo to the publication of "The Communist Manifesto"—a full generation—had not recovered from the ravages of the Napoleonic Wars. The year 1848 was one of revolutions and riots in the principal countries of Europe. Communist societies sprang up in all the chief cities. Wherever there was concentrated poverty, there were missioners who preached the creed of socialism. The literature of the period, from the year 1848 to the outbreak of the Franco-German War, contains hundreds of pages of accounts of outbreaks of disorder, occasioned by the discontent of the people.

After the failure of Louis Blanc's national workshops in Paris, Victor Hugo declared them to have proved a fatal experiment, and he wrote:

> . . . The wealthy idler we already know; you have created a person a hundred times more dangerous both to himself and to others—the *pauper* idler. At this very moment England sits smiling by the side of the abyss into which France is falling. (Quoted in C. H. Leibbrand, "This Age of Ours," London, 1896, p. 277.)

During the siege of Paris, the communists turned loose, and the streets ran with blood. Egon Friedell, in "A Cultural History of the Modern Age," tells in brief the story of the Commune in 1870:

> . . . Only after two months' fighting did MacMahon succeed in entering

the city at the head of regular troops. The "bloody week," in which he suppressed the insurrection in a savage war of barricades, was the most ghastly butchery of civilians in modern history. It was just at this moment that the Chinese embassy arrived in Paris. Excuses were offered, but the head of the mission replied: "No need for apology. You are young, you Occidentals, you have practically no history. It is always thus: siege and commune, that is the normal history of mankind." (Vol. III, p. 283)

So it goes. War brings discontent and disunion. People made desolate by the loss of their dear ones, the destruction of their property, and the violation of their homes, turn to any creed they think will alleviate their distress. Why there should be any doubt about this, no one pretends to say. The literature on the subject is vast, and most of it can be found in the large public libraries. A work that might help our instructors to enlighten us is "This Age of Ours," published in 1895. The writer of this article has an autographed copy from its author, Dr. Charles Hermann Leibbrand, who was a journalist in Manchester. Many well-known personages of the period, such as Lecky, Herbert Spencer, the Duke of Argyll, John Tyndall, and Professor Froude, read it and corresponded with the author about his views.

It contains a series of essays on the most significant political problems of that time, and in looking at its pages today (notwithstanding its fallacies, exaggerations, and dogmatism), one realizes that a story runs through it all that might be read with intellectual benefit by our mentors. Leibbrand was something of a prophet, but I doubt very much that he would admit, if he were here now, that he ever imagined the communism of which he wrote would assume such a shape as it has taken on and become the dreaded menace of all free-thinking people.

Communism (or socialism) is not a doctrine that has sprung from the minds of the impoverished. They have never been makers of creeds. From the earliest times of discontent and revolt, they have been the prey of those who desire political change and bureaucratic power. Only comparatively few in any period of which we have record have formulated socialistic doctrines or communistic creeds. Literary men have indulged in this recreation and have left us many of their works. The writers in this country who have pursued this avocation are familiar, and it is not necessary to name them. Looking back over my life in America, which extends now to sixty-five years, I cannot remember reading a single book on socialism or communism that was written by an impoverished workingman.

Most of the writing done in England, during a like period, came from the pens of well-known authors—Sidney Webb, George Bernard Shaw, H. G. Wells, and several others who "never wielded a pick or an ax nor pushed mortar in a wheelbarrow." Their hands are not horny. Ink stains were the only blemish that industry made upon them. Moreover, it is doubtful whether their books on these subjects were read by the people the authors thought should be led into a collectivist Elysium. During my debates in England with socialists and social democrats, I seldom heard of a workingman who read the essays of the Fabian literati. Therefore it cannot be said that knowledge of these creeds is possessed by the mass of workers. It is discontent, not knowledge of these doctrines, that is the chief cause of the revolt of the masses.

Looking over the past century and a half, it is a mighty problem to try to explain how intelligent people today can ignore the fact that war is a breeding ground of communism, Think of what happened in all European countries after the First World War! The imagination need not be overwrought to ascertain the change of ideas in nearly all political parties after the Treaty of Versailles. The Labor Party in Great Britain lost its Radical-Liberal significance and became a Fabian-Socialistic one. We know what happened in Germany and how the gospel of Lenin was changed when Stalin became dictator at the Kremlin.

After the Second World War, a socialist government was elected in Great Britain. If history does not repeat itself, war after war, it most assuredly takes on similar features. It is the same thing under perhaps a different name, but the cause of the change is discontent and disunion. The aim of the preacher against the system that makes for war never varies, and the choice of audience to whom he preaches his panacea is unalterable.

"Sorrow and Suffering and Pain"

IT IS WELL to be reminded of the dangers inherent in our war policies. Scarcely a day passes when we notice some prominent personage of British or of European origin who warns us to take heed while we have time and opportunity to deal with politicians. Bertrand (Lord) Russell, in an article in *The New York Times Magazine,* September 3, 1950, tells us:

> There is only too much reason to fear that Western civilization, if not the whole world, is likely in the near future to go through a period of immense sorrow and suffering and pain—a period during which, if we are not careful to remember them, the things that we are attempting to preserve may be forgotten in bitterness and poverty and disorder. . . .

Russell goes straight to the point—"immense sorrow and suffering and pain" are the penalties of strife. But do our legislatures realize it? Do they know that in fighting communism with deadly weapons, they are, in all likelihood, plowing the field in which the nostrums of socialism and communism will take root? Do the churches know what "immense sorrow and suffering and pain" have done in the past to turn men away from religion? George Savile, the Marquis of Halifax, as far back as the days of William of Orange, said: "Religion is the foundation of Government; without it man is an abandoned creature, one of the worst beasts Nature has produced."

Russell is imbued with "a new hope for mankind." He looks for it in the advancement of science turned to peaceful pursuits, and tells us:

> The hope cannot be realized unless the causes of present evils are understood. But it is the hope that needs to be emphasized. Modern man is master of his fate. What he suffers he suffers because he is stupid or wicked, not because it is nature's decree. Happiness is his if he will adopt the means that lie ready to his hands.

Many such expressions could be quoted, but alas, few are to be found in the works recently published by our authors. Professor J. W. Gough of Oriel College, Oxford, who has written a very interesting work, "John Locke's Political Philosophy" (Oxford, 1950), is also conscious of the dangers that we run, and in dealing with the principles of the British Constitution, he advises his countrymen to respect them instead of abandoning them:

> Otherwise, although we may profess to eschew totalitarianism, we may, when it is too late, have cause to regret the disappearance of the safeguards against arbitrary power which our ancestors regarded as one of their chief blessings. (p. 119)

Our legislators cannot have it both ways. They cannot destroy communism by fighting those who have adopted it as a political system without creating conditions that will give it a new birth. Belligerent crusades have ever failed to reach their objective. The crusades of Godefroy de Bouillon and Richard I ended disastrously. Dr. Ernest Barker, the historian, tells us: "The crusades may be written down as a failure. They ended not in the occupation of the east by the Christian west, but in the conquest of the west by the Mohammedan east."

This article may have been written in vain. It may be too late to advise another way of dealing with the menace. War is the only subject that precludes the possibility of debate, with the aim of mutual under-

standing. In all channels of man's thought and activity, the most difficult problems can be resolved by the opposing disputants meeting face to face. It is possible, in such crises, for an arbitrator to assist in bringing the parties to agreement.

In war this is not so. The settlement of the dispute is left to the politicians, and the record of their work, so far, deprives us of any hope for the future. In this respect, it is only necessary to refer to the blunders that were made at Versailles and at Potsdam. These have been condemned by the shrewdest minds who have examined them. Small wonder Lord Russell is alarmed! There might be a gleam of hope if the churches would perform the duties incumbent upon them and begin to enlighten their congregations on the real issue, making them understand the advice of Ecclesiastes: "Wisdom is better than weapons of war."

Port Washington, N. Y.

Economic Development in Japan

FOREIGN INVESTMENT in Japan has been increasing, according to Japanese government sources in Tokyo. Up to May 31, 1950, 315 investments totalling 600,000,000 to 700,000,000 yen were recorded. Laws governing foreign capital investment went into effect the following June. Since then a series of deals have been made between foreign investors and Japanese firms, at the rate of almost one a day. In most cases the deals revolved around the introduction or importation of modern techniques into Japanese industry. Mainly these have taken the form of transferring patents on electrical appliances, plastics and marine engines.

Four reasons are cited for the increase of foreign investments in Japan. One is the encouragement of the process by the United States government. Another is that concern about guarantees against risks has been dissipated. Still another is that special demands have stimulated associated Japanese industries, making them good objects for investment. The fourth, and perhaps the most important, is that the Japanese market has competed against the United States domestic market by offering a higher dividend rate.

W. L.

Freedom: Its Complications

By LUDWIG FREUND

WE ARE LIVING in an era in which the fundamental concepts of democracy are challenged. Communist forces claim to represent the "true" principles of a "people's" democracy. They picture the Western type of democracy as a façade behind which is concealed the brazen and ruthless reality of the dictatorship of privileged classes. The gnawing doubt of certain portions of Western populations as to the value and dignity of their governmental structures and slogans is reinforced by the fact that many of the profounder and academic analyses of politics and society seem to lend credence to the Communist accusation.

Gaetano Mosca contended that minorities which control the wealth and channels of propaganda and education impose their will upon majorities, under the representative system no less than any other.[1] Such diverse thinkers as Reinhold Niebuhr, Harold Laski, Bertrand Russell, Carl Becker—to mention but a few—agree upon the concept of "covert" or "non-coercive" power which is malevolent and abusive, though only in minor degrees in comparison with the practice of overt coercion prevailing in non-democratic countries. Thus, democratic equality seems to be no more than a myth. Similarly, liberty in a democracy apparently is no more than the liberty to express one's own opinion, without any chance for the individual or the masses to effect vital changes in the distribution of powers as long as the economic system and its fundamental inequalities are permitted to remain unchanged.

The detached observer—if there be one—will grow still more bewildered in view of the fact that most of the conservative defenders of the "Western type" of freedom insist on defending freedom on poorly concealed economic-materialistic grounds. This makes them, too, non-conscious fellow-conspirators against an ideal of liberty which was originally conceived in loftier terms. It must be confusing to the innocent bystander when left-wing liberals center their attention upon the demand that the "profit system" be replaced with a planned and "democratically controlled" economy, and when the standard reply from the opposite corner is that government interference in business is "regimentation" and the very negation of the "American dream" of freedom and democracy. The only conclusion which can be drawn from this bewildering juxtaposition of terms and

[1] "The Ruling Class," translated by Hannah D. Kahn, New York, 1939, p. 154.

claims is that the Communists are not alone in their stress upon the primary function of economic factors in the achievement of liberty and democracy. If the dominant or exclusive values of democracy, however, are in the field of economic relations, its virtues are indeed open to fundamental doubt.

I

TRUE, LIBERTY PURE AND SIMPLE can probably only be defined as absence of restraint. On this, most writers are agreed. Spinoza's idea in Part IV of his *Ethic* that free is "only that which exists according to its own nature and which determines its own actions" or Kant's formula in *Grundlegung zur Metaphysik der Sitten*, 3. Abschnitt: "Niemand kann mich zwingen, auf seine Art (wie er sich das Wohlsein anderer Menschen denkt) glücklich zu sein, sondern ein jeder darf seine Glückseligkeit auf dem Wege suchen, welcher ihm selbst gut dünkt,"[2] are, to this extent, in accord with the classical British liberal thought of non-interference, or, indeed, with T. V. Smith's formula "To do as one pleases—this alone is liberty."[3]

But the British classical liberal school as well as T. V. Smith argue along predominantly or exclusively economic lines when they wish to uphold or restrict the unqualified operation of the principles of *"laissez faire."* Once the problem of society is seen as principally an economic-political one, there is danger that the very concept of freedom may be perverted and betrayed. In this connection, it apparently makes little difference whether the ultimate objective is the preservation of the status quo or an economic-political reform.

Thus, in his zeal to overcome the obvious economic injustices of a private-capitalistic society, T. V. Smith goes so far as to lose sight completely of his definition of liberty. Consequently he ends up by proposing a tyranny amazingly close to the shams and pretenses of modern totalitarian systems. His book abounds in such suggestions as these: "No leisure except upon the discharge of productive function."[4] "Some measure of compulsion will have to be our initial dependence even though educational transformation be our ulterior reliance."[5] "We seldom allow men actually

[2] Briefly and freely translated, this formula means that everybody is free as long as he is allowed to seek his happiness on his own terms, without having others force upon him their ideas and modes of a "happy" life.

[3] "The Democratic Way of Life," Chicago, University of Chicago Press, 1926, p. 69.

[4] *Op. cit.*, p. 108.

[5] *Ibid.* p. 113. This particular proposition cannot but remind one of the glib excuses of Nazis, Fascists, and Communists to the effect that force will only be used in a transitional phase, and until the mind of the populace is sufficiently transformed by education to a spirit of "voluntary co-operation."

to starve in our present inequalities. We shall certainly not let them starve in a more democratic regime; but we shall use the possibility of quasi-starvation to enlist men in a fair trial of the joy of productive work"[6] (sic). All these compulsions are in alleged harmony with a second definition of "freedom" which Smith tries to substitute for the one which he originally formulated. Instead of "freedom to do as one pleases," the only freedom worth talking about, he now states, is "the ability actually to try out one's desires and plans and the ability to escape unfortunate circumstances."[7]

The question immediately arises, of course, whether the people placed under compulsion or semi-starvation included these conditions in their "plans and desires" and whether such terror and coercion as here proposed have any remote resemblance to freedom and democracy. They certainly do not seem to create the conditions which make it possible for the individual to "escape unfortunate circumstances" in terms of his own free choice.[8]

II

THE REAL DILEMMA of freedom, which has been often explained, is that it is, in its pure form, unattainable among humans. Significantly, Spinoza qualified his definition of freedom by adding that God alone is really free. I am under the impression that Laski oversimplified the issue by reducing it to a problem of historical relativity. He disposes of the philosophical approach to "restraint upon freedom of behavior" by stating that "historically the best way of regarding the substance of liberty . . . is to realize that the new elements which enter into its composition at any given time have almost invariably been rationalizations of particular demands from some class or race or creed which have sought a place in the sun denied to them."[9]

If this is the "best way of regarding the substance of liberty," then it will be difficult, for instance, to refute the allegation that the rebellion of the Nazi creed against the rest of the world was only the result of the

[6] *Ibid.* p. 111.

[7] *Ibid.* p. 91.

[8] It seems to me that the previously cited quotation from Kant would provide an apt answer to Smith's dangerous speculation on freedom, particularly if Kant's quotation is cited in full and if the few words with which he concluded the sentence are added: . . . "wenn er nur der Freiheit anderer Keinen Abbruch tut." Smith's own construction resembles the wholly dogmatic, sophistical and insidious argumentation of Rousseau with regard to the treatment of an opposition to the "general will." The "general will" is a mythical expression of the will of the community. Rousseau stated in his "Social Contract" that dissenters must be "forced to be free."

[9] "Liberty" in *Encyclopedia of the Social Sciences*, New York, 1931, Vol. IX, p. 442.

repressions imposed upon the Germans who sought "a place in the sun denied to them." The question seriously arises whether Laski does not substitute a wholly subjective notion of freedom for the accomplished fact. One is especially tempted to raise this question when he reads in another of Laski's writings that the worker of Soviet Russia enjoys "positive liberty" in distinction from an "essentially negative conception" of the worker's freedom in the Western capitalistic society.[10] Does the fact that a group "feels" free actually constitute freedom as a social reality? Or, does the absence of "demands from a particular class or creed" at a given time and in a given place prove that all the demands have been met? Does absence of complaint and criticism necessarily connote freedom? I should assume that these questions can only be answered unqualifiedly in the affirmative, if past and present techniques of controlling as well as suppressing popular demands are ignored.

A factual approach cannot help but reveal that the political and economic liberties which Laski stresses particularly, are related to other than subjective factors.[11] If liberty is absence of restraint, if it is "self-determination," then absolute liberty simply does not exist on this earth. The relativism of liberty becomes all-embracing and adopts much more than a historic coloring. Whenever and wherever freedom is less than "self-determination," there is, in strictly logical terms, limitation, restraint, and a corresponding *relative* check upon freedom.

III

NOR IS THIS ALL. Absence of restraint pure and simple not only does not exist in an empiric society, but such freedom as can be discovered to operate within its generic limitations, may actually have some specific drawbacks. If the individual can be assumed to be free within the range of certain biological as well as environmental limitations, then the question is not inappropriate as to the use which he will make of such amount of freedom as is at his disposal. In other words, if everybody, within the minimum restrictions imposed by nature and society, can act according to his pleasure, what—under this condition—will happen to society, to the moral and intellectual level of the individuals, ultimately to the freedom which was originally granted them?

Here is implied the whole story of the utter frustration of freedom in a predominantly materialistic and selfish age. The higher the tide of the

[10] "Reflections on the Revolution of Our Times," New York, 1943, p. 398.

[11] It should be mentioned that the present article was written prior to the sudden death of this great political thinker.

contemporary debate on human freedom rises, the more it gets involved in contradictions of economic-political claims and counter-claims. The insights of a more primitive, yet spiritually less thwarted, age have been forgotten or are brushed aside as naïve, and irrelevant to the problem of our time. Yet, Spinoza, who handed us the classic definition of freedom while insisting that "God alone is free," developed a whole system of ethic on the presumption that there is a relative freedom of man, if man could only afford the strength "to live according to the demands of reason, and to control his passions." Kant distinguished between "vernunftloser Willkuer" (unreasonable lack of self-restraint) and "Selbstgesetzgebung der Vernunft" (self-legislation or autonomy of reason). The latter to him represented *true* freedom. Goethe decided that freedom is the ability "to act under the guidance of reason, no matter what the circumstances." And, last but not least, the early Christians' idea of freedom as a challenging, courageous stand of non-conformity to a pagan, selfish, mercenary and sensuous world made it a highly uncomfortable and self-denying business "to be free."

Obviously, John Stuart Mill, too, was not satisfied with a wholly materialistic-utilitarian approach to political freedom when he stated that "the dangers incident to a representative democracy are . . . danger of a low grade of intelligence in the representative body, and in the popular opinion which controls it; and danger of class legislation . . . ,"[12] and when he consequently argued that the first responsibility of good government is to raise the level of virtue and intelligence of the citizens.[13]

Three legitimate questions will immediately arise. First, if we accept what may be termed a *positive* conception of freedom, in distinction from the *negative* of mere "absence of restraint"—does such acceptance not introduce a dogmatic and therefore subjective element? Do we not thereby insert value judgments? Are we supposed to be agreed on what constitutes "reasonableness," "dispassionateness," "virtue?"

Second, is such strain on individual existence as was required by Paul and practiced by early Christians, or are such rigorous demands of an intelligent and moral order as were set forth in the ethical systems of

[12] "On Representative Government," London, 1886 ed., p. 53.

[13] Reinhold Niebuhr throughout distinguishes between the "creative" and "destructive" possibilities of freedom. See particularly "The Nature and Destiny of Man," New York, 1948 edition, Vol. I, pp. 99–106, 162–66 etc., and "Faith and History," New York, 1949, pp. 89, 93, 100, 180, 122 *ff.*

Arnold Toynbee also recognizes a freedom of choice in historical destiny. A civilization's destruction is really and intrinsically caused by factors closely related to a *corruption of freedom.*

Spinoza and Kant still recognizable as human freedom? Do we have to be "unkind to ourselves" in order to reach the august spheres in which freedom of a "higher type" reigns?

Third—and closely related to the second question—how many people of any age or nation can really be expected to live up to such demands as these? The answer to all three sets of questions is obvious. This "positive" concept of liberty is subjectively anchored. It imposes attitudinal strain, and relatively few people anywhere and at any time will be able to practice its standards of moral conduct and intelligent behavior. However, the amount of self-control implied in these standards does not necessarily refute their logical and moral validity. Self-restraint, as Maurice Block put it, emanates from a sentiment of our own dignity.[14] It seems to me that in the interplay of social and individual controls, it is the oppressive "control by other people" which the consistently liberal-minded citizen resents as an infringement upon his personal liberty. He will not consider his liberty to be infringed by the ideal under the impact of which he is willing to fight against the tyrannical order of an outside world, even though this fight involves sacrifice on his part. His "ideal" undoubtedly has an unmistakable subjective tinge, but so has every moral, social, legal and esthetic code. The modern problem thus becomes one of either being or not being in accord with the established codes and patterns of one's society. And with respect to freedom, it probably means that in the ages-long development of our culture, there evolved certain concepts of freedom, some "negative," others "positive," and that some of us incline toward those which imply faith, sacrifice, conviction, while other people do not incline toward them.

What we are wont to label a "free" subjective choice is often really social control of long standing and of a more or less hidden and invisible nature. Freedom, justice, beauty, and essential morality can, *for human purposes*, probably never be accurately defined. The answers to the problems they pose will, therefore, always have a subjective ring. Yet, a study of comparative culture proves how considerable and surprising, in spite of the natural range of variations, is the degree of consensus with regard to the basic answers to these problems, which emerged within a coherent culture area circumscribed by the preponderance of similar religions, institutions, and philosophies. As the power of persuasion inherent in these religions, institutions and philosophies gradually wears off, there arise the prospects of new principles of faith and of revolution. But the concept

[14] "License and Liberty," in *Cyclopedia of Political Science*, Vol. II, p. 768.

of historical relativism in relation to "positive" freedom connotes broad agreements over large areas and over relatively very long periods.[15] It is, at any rate, not synonymous with the type of historical relativism Laski favors, which allows for a wholesale change of the content and meaning of freedom with nearly every generation in the identical area and practically rules out the possibility of applying moral criteria to the passing parade of the varying concepts of freedom.

Furthermore, the "positive" definition of liberty does not cancel out the "negative" one. It only adds specific and vital, although subjective, elements to it. Liberty is still *absence* of restraint, but this restraint is now limited to consciously felt restraint *by others*. The subjective element consists of such amount of *self*-restraint as is practiced by the individual on the grounds of his moral and intellectual convictions. Without this kind of individual self-restraint, or without those degrees of moral and reasonable judgment or "self-legislation" on the part of individuals which the classic concepts of liberty imply, no free society can hope successfully to operate. In the absence of these limited self-controls, there will necessarily descend an ever increasing volume of authority and of outside restraints upon the individual members of society. In these "outside controls" even our nominally "free" and democratic societies abound.

The "positive" definition of freedom, thus, falls short of an adequate basis in reality just as the merely "negative" definition proved incomplete and futile. I cannot agree with the optimistic note struck by William F. Russell: "While moral or intellectual disinterestedness flows from wisdom, it is possible to achieve the former without the latter."[16] Nor can I accept John Dewey's solution of the subject when he states that positive liberty is essentially connected with the progress of science and that "if the economic regime were so changed that the resources of science were employed to maintain security for all, the present view about the limitation of science might fade away."[17] Dewey has failed to convince me that a change of economic regime may alone produce purer moral incentives and intellectual detachment on the part of the majority.

IV

THE PROBLEM OF LIBERTY encounters a further set of perplexing com-

[15] I like to think that this is what Reinhold Niebuhr has in mind when he traces the differences and the similarities in classical as well as modern views of meaning and freedom in history, in "Faith and History," New York, 1949, chs. III and IV.

[16] "Liberty vs. Equality," New York, 1936, p. 129.

[17] "Freedom and Culture," New York, 1939, p. 143.

plications. Some political scientists reason that liberty and equality are mutually exclusive.[18] Others argue vigorously that there can be no essential liberty without a measure of equality.[19]

There are different logical categories or phases of equality; existential, functional and legal. Of these, "existential" equality is either of a utopian, rationalistic type which claims that one human being is in substance the exact equal of any other insofar as worth, ability or potentiality is concerned; or it is of the Pauline-Christian variety which proclaims the essential brotherhood of all men, the spiritual fellowship of all believers and the intrinsic sinfulness of all human substance in the sight of God who alone is perfect. While Laski's "functional" equality implies some of the elements of the rationalistic version of existential equality, it shares with the Christian outlook the idea of the eminent dignity of the individual. The basic assertion that a man's job and position in life, no matter how menial they may be judged by his fellow men, do not detract from his functional equality with others; that one function well performed equals, in its own way, any other, definitely dovetails with some vital aspects of the primitive Christians' approach to "existential" equality. "Legal" equality—so it appears—is the final democratic contribution to a centuries-long debate dating from the Stoics and the early Christians, passing through the ponderous dissertations of the philosophers of natural law and leading to the modern answer of equality of treatment by law.

[18] William E. Rappard, "The Crisis of Democracy," Chicago, 1938, pp. 24–6. William F. Russell, "Liberty vs. Equality," New York, 1936, pp. VIII; 10–17; 29–30; 109–11. Thomas Mann, "Freedom and Equality" in "Freedom: Its Meaning," edited by Ruth N. Anshen, New York, 1940, p. 81. And, of course, there is James Fitzjames Stephen, "Liberty, Equality, Fraternity," London, 1874, pp. 198 *ff.*; and Lord Acton's smiliar references to the logical contradiction between liberty and equality in "The History of Freedom and Other Essays," London, 1907. Among the more popular writers of today, Walter Lippmann's "The Good Society," New York, 1937; and Frederick Hayek's "Road to Serfdom," Chicago, 1945, are examples of the modern apologia for the freedom of the market and of the modern argument against the egalitarian effects of governmental regulation of business.

[19] Harold J. Laski in all his writing, particularly in "Liberty in the Modern State," London, 1930, and "Liberty" in *Encyclopedia of the Social Sciences*, Vol. IX, New York, 1931, pp. 442–6. Bronislaw Malinowski, "Freedom and Civilization," New York, 1944. Carl L. Becker, "Modern Democracy," New Haven, 1941, pp. 67–72. Thomas Vernor Smith, "The Democratic Way of Life," Chicago, 1926, realizes that "the relation between liberty and equality . . . has been a matter of dispute," but contends that "what the equality ideal has stood for is necessary in order to make significant liberty available for the majority of men" (p. 88). Thomas Mann, though stating the logical opposition of liberty and equality, follows a line of argument closely resembling Smith's (loc. cit.). See also Joseph A. Leighton "Liberty—Weasel Word" in *The American Scholar*, Vol. 7, No. 1, Winter 1938, particularly pp. 41–5. There are other works along the same line too numerous to mention. The problem of the subtle relationships between liberty and equality has been treated in Ludwig Freund, "Freiheit und Gleichheit als Zentralprobleme der Demokratie" in *Koelner Zeitschrift für Soziologie*, Vol. I, No. 4, June 1949.

Of the three categories of equality, the first two have little, if any, bearing on the subject of liberty. Existential and functional equalities are *passive* conditions. They are interpretations of life rather than life itself. Liberty presupposes a *dynamic* modus vivendi. This condition is present in the struggle for or denial of legal equality. The theorists arguing the case that liberty and equality are inseparable win on these grounds.

But these legal grounds are not those on which either they, or their opponents, focus their main attention. There are, beyond the categories of equality, distinct areas of human activity in which the search for equality may be discovered to operate. The generic category of legal equality still rules these special manifestations of the principle insofar as law in its broadest sense may be understood as circumscribing the opportunities of most human activity in modern lands. Equality of treatment by law implies equality of opportunities in all fields governed by law. However, there are private spheres of life which law in a democratic society may not touch and in which effective discriminations and significant restrictions may be practiced. There are other areas in a democratic society in which law exercises only *partial* control. Obviously a man's choice of personal association, of business as well as life partners; social preferences expressed in the dispensation of patronage, etc. are not susceptible to wholesale regulation by law, unless we emulate the complete contempt of human privacy displayed by Nazi and Communist rulers. Thus, a certain amount of social inequality prompted by "pride" of class, race and religious separation, is difficult to combat.

It also follows logically that all other ramifications of religious, racial and cultural liberties, whether they are guaranteed by law or not, depend upon equality of opportunities, in order to realize their full status of liberty. Wherever groups or individuals are underprivileged to the extent that their opportunities are stifled at the outset, wherever restraint is placed upon them which is not incurred by their own lack of capacity for rights, their ability to compete with others on equal terms is limited.

In the broad field of intellectual freedom the ideas of "free speech" and "free press" have been pervertd into monopolies of the owners of radio chains, the buyers of radio "time," the "popular" radio commentators who talk "down" to the "people"; the syndicated columnists who write "down" to the "people"; the publishers, the editors, and the writers with "pull" or "sale." Obviously, there is neither freedom nor equality of expression here, and again the two principles are linked.

V

THERE IS, HOWEVER, a special aspect of intellectual freedom which presents an altogether different viewpoint. The problem becomes quite involved—from a democratic point of view—when it is considered that it is not only a matter of fortunate outer circumstances and propitious connections, or their absence, respectively, which creates intellectual inequalities. There are also natural differences which in a free competitive struggle among individuals will favor a few. There are—after all—different levels of intellectual abilities. Hence, not all can even begin to compete for the same opportunities in this area. It is in this area that the impossibility of the utopian or rationalistic type of "existential" equality opposes effectively the realization of both liberty and equality.

The problem of political freedom and equality is so closely related to that of legal equality that it may be dispensed with in our necessarily brief discussion. It is evident that so far in this discussion the liberals who incline toward egalitarian objectives have the advantage. In the special areas discussed, liberty obviously is related to equality and more or less dependent upon it. The surprising factor is that this faction of liberals, no less than their opponents, consider these areas only as secondary. They expect the solution of their problems primarily from egalitarian measures in the heart of economic life. Thereby their argument fails as signally to strike home as does that of the "pendulum" theorists.[20] In fact, the latters' contentions become several degrees more convincing as their much too sweeping generalities are focused upon the economic field proper.

Liberty seems to favor the economically strong, even when it is officially granted to others in the fields of social opportunities, education, publication and political influence. This adds apparent strength and logic to the suggestion that the solution of all or most of our social ills and disequilibria must be referred to the economic sphere. A closer inspection will disclose the unhappy truth, however, that the distortion of democratic behavior in other areas is largely—though not exclusively—the result of their invasion by economic values and power differentials. The basic attitudes of the "economic man," like those of the "political man," are in

[20] The "pendulum theory" has found its most concise expression in William F. Russell, "Liberty vs. Equality," New York, 1936. "If you have liberty to the full, you cannot have equality. If you have equality to the full, you cannot have liberty. If you have more liberty, you will have less equality. If you have more equality, you will have less liberty. . . . During some periods *the pendulum* (of American democracy) swung toward liberty; at others toward equality" (p. 14). The basic underlying idea is that liberty and equality are incompatible.

themselves not capable of effecting profound social remedies unless they are influenced by standards of values which are outside their own legitimate and special spheres. While Gresham's Law and the law of the "least means" do not necessarily determine all economic action, both of them point to a prevailing tendency which may be said to have occasionally been deflected by either moral or political influences. The unbridled *political* influences proved—as in the cases of the Nazi and Communist governments—more destructive of human ends than the economic interest itself. The *moral* factor has difficulty not to degenerate to the marginal or sub-marginal level in a society in which the economic or the political power interest or a combination of both is considered paramount.

The deadlock becomes more definite if it is considered that the whole structure of the economic realm leaves no opening for the entry of either liberty or equality. Economic equality as the absolutely equal partition of all kinds of wealth among all human beings "has found few defenders in the history of thought." [21] As long as there is the necessity for maintaining separate agents of production and distribution; as long as there is a need for recognizing different functions of labor, management and capital; as long as there is a demand for scarce talent in order to fill some of these functions there will be different levels of inducement and reward.

There is no possibility of equality in any developed economic system, and there is no place for unconditional liberty in it. The individual cannot escape the Scylla and Charibdis of alternative controls. If he is an entrepreneur he is—in a completely "free" competitive order—entirely dependent on market conditions of labor, raw materials, capital and finished goods. The wage earner's economic status is dependent upon these factors, too, since his earning capacity and duration of employment are largely determined by them. Besides, he is subject to the controls of management. As government or union controls over economic activities increase, management as well as labor become more dependent on them, but, while full liberty of action hardly exists for either labor or enterprise under this condition, the absence of liberty may have varying degrees.

Does this state of affairs corroborate the thesis of the "pendulum" theorists? It seems to me that in their formula "the more equality the less liberty," they equated liberty with the freedom of action of one class, namely the entrepreneurs. Their theory would be much more to the point and would possibly have reached entirely different conclusions, if

[21] Crane Brinton, "Equality" in *Encyclopedia of the Social Sciences*, New York, 1931, Vol. V, p. 579.

they would have begun to ask themselves the two additional questions "freedom FOR WHOM?" and "freedom FROM WHOM?". They might have discovered that, while the management is "freer" than the worker is in a state of greater inequality, the present higher status of equality has increased the freedoms of the workers as a class while eclipsing some, though not all, of the management. A complete eclipse of the liberty of the latter, however, as occurs under Stalin's system of State Capitalism, does not result in a corresponding increase in liberties for the worker. The traditional concept of freedom cannot be applied to workers' conditions where unions function under the complete domination of one political party, where the party reflects the interests and ideas of the absolute rulers of the State, and where the State is the supreme and uncontested lord over the functions of labor, capital and management. The example of the Soviet Union offers the spectacle of as near an eclipse of liberty of both workers and "enterprisers" as is humanly feasible. Equality as well as liberty is nearly completely absent from this scene. The analytical approach makes apparent a definite flaw in the speculation of the "pendulum" theorists, even if it is applied to the field of economic relations where their generalities had a semblance of plausibility.

Conversely, the egalitarians' view that there can be no economic liberty without economic equality, founders on the incontrovertible truth that there cannot be had sufficient of either in the world of hard facts. Furthermore, whose liberty are *they* referring to? It is easy to demonstrate that these theorists are guilty of the same error which we found to have been committed by their logical antipodes. They, too, consider only the liberty of one class. In their case it is the workers' class. The same logic which refutes the claims of the pendulum theorists, therefore, also repudiates theirs. Somebody's liberties will be necessarily curtailed if somebody else's status is improved at the former's economic expense.

Consequently, it is in the ethical, not the logical, sphere that the question deserves to be resolved whether more liberty of the few or more liberty of the many ought to prevail. It seems clear that our modern democratic value judgments tend to favor freedom for the many rather than the few. It is, therefore, understandable that the liberal position of today has approximated that of the egalitarians.

VI

THE SIGNIFICANT RÔLE of value judgments and ethical decisions in the practical solution of problems which logically lead to an impasse, under-

scores the strange and ambiguous position in which modern man is caught. The cynical vogue is toward discounting moral or religious speculations and to value high the positivist attitude. The essential answers, however, seem ultimately to be associated with "values" which escape the positivist or the materialistic approaches to the central problems of our time.

The perpetual cleavage between the democratic ideal and the democratic reality cannot be satisfactorily explained on either the utopian moralist's or the cynic's grounds. John Stuart Mill was probably right when he hinted that, regardless of its form, that government is best which fosters the virtue and intelligence of its citizens. In this sense, and despite some skeptical reservations toward Utopian notions of democratic perfection, I firmly believe that democratic government furnishes better guarantees than other forms of government, that in the "free market" of ideas those of virtue and intelligence may compete and possibly succeed.

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Inflationary Dangers in the Arms Boom

A FRIEND OF MINE is building a new home. He frankly admits he is not financially able to pay for it on the basis of his present income. He's gambling on inflation. If, because of inflation, the dollar continues to lose purchasing power, the $15,000 house my friend is building may cost him only half as much, or even only a tenth as much, as it is valued on the basis of today's dollars. In other words, if inflation continues he figures his income, in unit dollars, will be doubled within about five years without his real earning capacity or actual day-to-day purchasing power having been improved.

If my friend wins his gamble the people who hold the mortgage on his home will find his notes being paid off with 50¢ dollars for the 100¢ dollar they paid to his building contractors. Thus they would lose in proportion to his gain. But it is infinitely more serious than that. If my friend wins his gamble on a substantial degree of inflation continuing for another five years, the national economy may go on to distaster. Values would be virtually wiped out and a likely result would be economic collapse and probably panic; and in the end, he likely would lose his unpaid-for home in a severe depression.

The strength of America, as a nation among nations, is based on the stability of our economy. Our production for national defense, as well as

our peacetime progress, is founded on that stability. Production depends on the ability of our industries and farms to pay our workers a wage that can be transformed into the necessities of life. If fiscal conditions should become excessively strained, the pillars of our productivity would begin to crumble.

Every sober-minded economist in the country is worried. A blunt warning has been voiced by Dr. Walter E. Spahr, head of the department of economics of New York University. "The dollar," he said, "is going to be worth about 10¢ in purchasing power unless the nation wakes up from its monetary dream. Large income figures, large totals of insurance, of profits, of wage payments, all in terms of a depreciated dollar, serve to feed our illusions.

"Our mounting and fabulous figures on life insurance totaled $214 billion in 1949. But we say nothing about the fact that this total has less value than the $101 billion in 1932 or the $111 billion of 1939. We are in the temporary stage of widespread enjoyment of the intoxication of rising prices. The illusions are similar to those of the opium smoker."

When you consider that since 1940 the dollar has lost nearly 50 per cent of its purchasing power (the loss is bigger in the house building field), Dr. Spahr's warning carries added authority. We must call a halt to inflation now. But how?

(1) Balance the federal budget; (2) Reduce non-military expenditures to a point where the addition of the necessary big preparedness program will still permit the taxpayers to pay-as-we-go without paralyzing commerce; (3) Establish a stable backing for the U. S. currency; (4) Restore confidence in the stability of government securities so the debt can be widely distributed in the form of savings bonds, thus reducing the supply of inflationary money; (5) Resolve, all of us, to temporarily sacrifice a substantial degree of our present living standard to meet the national preparedness cost.

If the people of America get actively behind such a program my home-building friend will lose his gamble on continued inflation; but his, and everybody else's chance of owning a home and continuing to live in a free, prosperous America will be immeasurably enhanced.

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Intellectuals, Concentration Camps, and Black Propaganda

An Interview with Alfred Weber

By Howard Becker

A few weeks after the American occupation of Heidelberg in the spring of 1945, the writer found an opportunity to get in touch with Alfred Weber, brother of the famous Max and himself deservedly famous in his own right.[1] As an Office of Strategic Services field operative then engaged in the task of assessing the credibility of certain black radio programs,[2] the writer felt that an eminent sociologist should prove a good touchstone, and arranged for an interview. At that time security on black radio had not been released, and it was necessary to proceed by indirection. In any case, however, no direct questions about credibility would have been asked; the bias which might thereby have been introduced would probably have vitiated the replies.

Alfred Weber is still actively teaching at Heidelberg (1950); younger men who could effectively replace him are not yet available. He is quite vigorous in spite of his almost eighty years, and publishes extensively. (The book mentioned in the interview is his *Abschied von der bisherigen Geschichte,* which has appeared in translation as "Farewell to European History.")[3] For the sake of brevity, the questions asked by the interviewer have been embodied in the interviewee's replies; in this respect only has there been any deliberate deviation from the actual record.[4]

The time is about 5 P.M., June 4, 1945; the place is the small sitting-

[1] His best-known books are *Über die Standort der Industrien* and *Kulturgeschichte als Kultursoziologie.* See the name index of Barnes and Becker, "Social Thought From Lore to Science" (Boston: Heath, 1938).

[2] See my article, "The Nature and Consequences of Black Propaganda," *Am. Sociol. Rev.,* 14, 2 (April, 1949), pp. 221–35.

[3] This book was taken to England in manuscript by the writer, in July 1945, and turned over to Karl Mannheim, who had it translated and published in the International Library of Sociology and Social Reconstruction. The German original was not printed until nearly two years later.

[4] The interview was recorded within two hours after it took place. No notes were taken during the interview, but as a by-product of systematic interrogation, the writer had acquired the capacity of reproducing short interviews almost *verbatim.* Moreover, his two aides were present at the time of the interview and when it was being written down; they were able to check the accuracy of the reproduction and to assist in the task of recalling details.

room study of Alfred Weber's apartment at 22 Bachstrasse, Heidelberg. Frau Jaffé, a friend, is also present, together with the writer and his two aides.

The Interview

WEBER: Oh, it's very pleasant to see you here again, Professor Becker; it's going to be fine to be able to sit down and converse agreeably about scientific matters. Surely, I'm glad to have your companions sit down with us. Come into the sitting-room, where you will be more comfortable.

Have you come to ask about the 20th of July? I have just written a brief history of it, and have passed it on to a Mr. Spender, an English poet. I thought you might have come to see me about it because you had been in touch with him. You know, of course, that it was not merely an Army affair, but that thousands of civilians, many of them intellectuals, were involved. If only we had succeeded, what might not Germany and the rest of the world have been spared!

You will doubtless remember that when I talked to you in 1934, Professor Becker, just after the Roehm affair, I said that the outcome would be the terrible business we have witnessed during the past five years. Even by the time of the Roehm business it was too late to form an effective opposition. If the intellectuals and others who saw what Nazism was inevitably leading to had acted in 1933 or early 1934, they might have succeeded, but they missed the decisive period. Moreover, it is amazing to think how many intellectuals failed to realize the full implications of Hitler's program. When they did realize it, the system of block inspectors and all the rest of the Nazis control apparatus had been set up, and they were either picked off one by one or decided that silence was the better part of valor.

How can I explain this impotence of the intellectuals? Well, I have just written a book about it, but I haven't found a publisher yet. I begin with the power politics ideology of 1870, the sudden emergence and later vulgarization of Nietzsche, the rise of positivism and historicism, and in general the betrayal of Occidental mentality. The whole drift of the book, in its constructive aspects, is toward a rehabilitation of the eighteenth century.

The nineteenth and twentieth centuries can learn a great deal from the eighteenth. By the way, do you in America know anything

about Ernst Juenger? You do? That's most interesting. Don't you think so, Frau Jaffé?

JAFFÉ: Yet, I do, and now that I've broken into this academic discussion, may I raise a delicate question? The German people I've spoken to around Heidelberg find the Americans very difficult to understand. For example, they have a great deal of garbage, full of bread and other valuable food, and I'm told that they actually pour gasoline over it and set it on fire rather than give it to hungry German children. People are now saying that the Americans are doing just as the Nazis did and are just as hard and cruel as the Nazis. We know that isn't true, of course, but that's what they are saying.

Oh, do you think that this hardness of the occupation army is a fairly exact response to the general feeling of the American people? That the recent revelations of the horrors of the concentration camps have turned a large number of Americans wholly against the Germans? You do? Yes, I know that the camps were really horrible—too horrible for words. Don't you think so, Professor Weber?

WEBER: Oh, indeed, and what is more, only a thin layer of intellectuals had the remotest notion of what the concentration camps were like even before 1939. Of course, you must grant that along with the Jews the Germans themselves were the first sacrifices. Over seventy percent of the camp population before the war was non-Jewish. After 1939 not even the intellectuals had any conception of what may be called the second type of camp represented by the torture and extermination centers such as Auschwitz. What you Americans have just said is quite true; namely, that we Germans often put on blinders—involuntarily, perhaps, but still we put them on. Some things we simply didn't want to see or believe.

Further, the Goebbels propaganda mill ground away very efficiently, and it was helped in this by the policy of the Allies. What do I mean? Why, that all the talk about "What To Do with Germany?" did not mention a single constructive point. Germany was to be dismembered, or made into an exclusively agricultural country, and so on. You say that after the Yalta meeting President Roosevelt announced that the intention was not to wipe out the German people, but to root up German militarism and Nazi arrogance once and for all, so that never again would peaceful peoples have to fight against them? Yet, that's true, but it wasn't played upon strongly enough by the Allied propaganda.

Further, it should have been stressed that after 1918 there were two Germanies: the one which strove to preserve the Western tradition, and the other, utterly pagan and anti-humanistic. Here the Allies seem to me to make a great mistake: isn't it possible to discriminate between active Party members and the sheep-like followers? Further, it must be remembered that there were some people who were not Party members and who were still active Nazis in the ideological sense; they are still among the most dangerous of all.

Where do we get our news about Allied policies? Mostly from personal acquaintances and observation, although we do listen in to Radio Luxemburg and the English radio. Did we listen during the war to German underground stations? Were there any? Oh, now I remember: some people thought that *Soldatensender Atlantik* was a German station, but it really came from England. I'm sure of it. What, Frau Jaffé? You think it came from German naval units on the Atlantic coast? That's what the British wanted you to believe. No, we never heard any other underground stations, genuine or spurious; our receiving set is good only for medium-wave, and that may account for it. Wait a moment; there was for a short time an underground sender at Bad Tölz,[5] but we didn't hear it; we only heard about it.

Students listened to foreign radio a lot, but the decisive factor in student revolts such as the one at Munich was the defeat at Stalingrad. That was the turning point. Russia was Hitler's undoing.

Speaking of Russia, I must say that their propaganda is making great headway. They tell us, over Radio Berlin, of plentiful food, theater, and fraternization. Some people are now saying "If the Americans don't do better, we hope the Russians come." Yet at the same time there is still great fear of Russia in some sections of the population. Everybody, however, is afraid of the French, for they are permitting their North African troops to loot, rape, and kill on every hand. We know of three cities, Stuttgart, Constance, and Freudenstadt, where such things have happened, and our sources of information are unimpeachable. Oh, Frau Jaffé, you're mistaken when you tell such stories about Wuerzburg; don't you know that Wuerzburg is occupied by the Americans?

[5] This was apparently the American black radio mentioned in the article cited in footnote 2, and there called "Operation Frolic." However, we dared not question directly for fear of "breaking cover."

There has been terrific death, destruction, and dislocation of administration, but that's war. The Americans were welcomed when they first came, but the Americans themselves have become harder since the news of the awful concentration camps has come out. And now that the Americans have become more harsh, the Germans who were most enthusiastic are beginning to become anti-American.

Those of us who would like to co-operate with the Americans aren't able to do so as we'd like because we have no means of getting information and no way of passing on what we have learned. We cannot talk to our people. We felt ourselves isolated during the whole Nazi period, and after a short interval when the barriers seemed to lift, we are now beginning to feel cut off from the whole world once again. We need newspapers, books, public meetings—in short, we need communication facilities of every sort. Otherwise we and our American friends face a task of impossible proportions.

University of Wisconsin

America's Self-Defeating Materialism

AMERICANS LIKE TO THINK of themselves as realists. To the rest of the world we are materialists. Although in some respects a case could be made for it, the age forbids calling anyone an idealist in public.

How does realism differ from materialism? Is it permitted to take account of non-material factors as real? And does it? It must, of course —because there is no such thing as pure materialism. But it does so shame-facedly and under cover, referring to every attempt at setting forth an idea as "selling," to every group of ideas as a "package," and this notwithstanding we have known from all eternity man cannot live by bread alone.

That our "friends" on this and other hemispheres are daily increasing their dislike of us as a nation, is becoming the horribly real bogey that frightens our boys and girls of the last war and what they fear to be the next. Our political wise men, our serious travelers abroad, our Voice of America have all found the reason—our propaganda is at fault. A larger appropriation for the Voice of America! Examine the voice itself, or the body of which it is the voice? So far as I know that has not been proposed.

Realists like frankness and, frankly, we have earned their dislike where we should have earned their affection. We have tended to live too much

on the surface of life, to find the easy solutions which are no solutions, to brag constantly about our material well-being in order to persuade ourselves that was all we needed or wanted.

Children outgrow the isolationism of infancy. They get beyond acquisitively collecting a new toy from every visitor. They even reach a point, as my brothers did after an illness, at which they say, "We've got too many and they're a nuisance, let's break 'em up."

Not so with us Americans. We just can't have too many cars even if, as in New York, they cease to serve for transportation. Only the eccentric would be without television although by common consent there is scarcely a program worth looking at. Our advertising boasts of the largest companies in the world while our anti-trust laws are supposed to be trying to break them up. Are we realists or materialists? And because we have glorified our materialism as realism, we have failed to see its shortcomings and its excesses.

Consider our technical gullibility, our readiness to believe in every mechanical device, actual or imagined; and, if we don't, the heavily financed effort to compel us to believe in it—unless for a decade or so it seems more profitable to suppress it. Contrast this with our intellectual, social and moral skepticism: thought is always suspect, sometimes but only very rarely in good taste. A deadly quality of naive sophistication, a bored restlessness are pervading.

This can only happen to the materialist.

Like Midas of the legend he defeats himself. But Midas' kingdom was small, and ours is vast. The momentum we have developed, has swung countries and continents into our orbit. The old spiritual cultures may conceivably survive; they cannot escape if we do not.

It is this all but hopeless tide in American and world affairs that we are fatefully called upon to turn. When I say we, I refer of course to all the institutions that are striving to quicken the spiritual life of the country, to feed the springs of creation—the *only* realistic way, let me say, to turn the tide of destruction.

CLARA W. MAYER

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Jeffersonian Democracy: Its Significance for Our Time

By Glenn E. Hoover

The editors of *Die Wandlung*[1] having learned that I called myself a "Jeffersonian democrat", honored me with a request that I indicate briefly the central ideas of those Americans who so describe themselves. At the outset I must warn the reader that I can speak for no one but myself. We who describe ourselves as "Jeffersonians" do so largely in the interest of brevity. We are not organized, we are not a sect, we have no universally accepted dogmas, and no "Jeffersonian" has any authority to speak for another.

Nor shall I make any attempt to summarize Jefferson's thought. Because of his long public career, both in Europe and America, and the great scope of his interests, his writings cover an uncommonly wide range. Here I can comment only on the chief factor on which his philosophy was based, to wit, his intense love of freedom, his faith in it, and his distrust of all concentrations of power. For him, power was the real enemy of liberty, and it was the duty of free men to oppose the undue concentration of it, whether it was to be exercised by governments, bankers, industrialists, or the most terrible of all tyrants, the mob.

Jefferson's precepts are frequently summed up in the maxim "That government is best which governs least." His followers, therefore, stoutly oppose any dictatorship, whether of the Right or the Left, and they would also deny to any government, however wise and "democratic," the power to regulate the economy and the daily lives of the individual citizen. "If we were to depend on Washington (the capital—not the man) to tell us when to plow and when to reap, we should all lack bread" is a statement attributed to Jefferson which expresses his followers' opinion of any form of collectivism, or over-all planned economy.

It is this fear of excessive State power that prompts the followers of Jefferson to encourage the widest possible diffusion of property. They believe that "power follows property" and they do not wish to add to the power of governments by giving them the ownership or control of any property except natural monopolies, or other types of property unsuitable for private ownership. They believe that eternal vigilance is necessary to prevent a governmental bureaucracy from expanding the scope of its

[1] *Die Wandlung* was the Heidelberg periodical in which the German version of this essay first appeared.

functions, thus adding both to its insolence and its incompetence. Bureaucracy, at its best, is a necessary evil, and at its worst it becomes an insufferable one.

Faith in the Common People

THOSE WHO WOULD MAXIMIZE individual freedom must have faith that the common people can conduct, with reasonable success, their personal affairs. Jefferson had such a faith. It was not, however, based on any sentimental or mystical belief that all men are equal in their capacities. Although he was a persistent foe of all privilege based on law or custom, he recognized that there was among men, a natural aristocracy of ability. However, these differences in ability did not justify any unequal treatment before the law, nor the coercion of one man by another.

Jefferson believed also that a free society could function only if all citizens were given equal access to educational opportunities. He proposed that those who demonstrated that they could profit most from these opportunities should be encouraged to continue their schooling at public expense. No statesman of his time laid greater stress on the indispensability of public education. It was the knowledge and wisdom of the people that was to make it unnecessary for the State to stand *in loco parentis* to its citizens. Knowledge was to give men confidence and self-respect. We insist on shifting our burdens to the State, just to the degree that we have lost faith in our ability to conduct our own affairs. The exaltation of the State goes hand in hand with the abasement of the individual.

It is often said that Jefferson's fear of all-powerful States is out-moded because their powers are no longer to be used *against* the people, but *for* the people. It is proposed that we give up many of our personal freedoms in exchange for the economic security and the largesse which such States are to provide. During the Great Depression, this proposal seduced many people, even in such advanced countries as Germany, Britain and the United States. Any kind of economic security, however servile, continues to appeal to the chronically hungry and oppressed people of Eastern Europe. They should, of course, be allowed to choose their fate. Neo-Jeffersonians can only hope that they may some day prize their freedom above any benefits which a police State can provide. They will learn that a government can give its people only what it has first taken from them, decreased by the cost of maintaining a swarm of functionaries.

It must be admitted that there are concentrations of power of a kind unknown in Jefferson's time. The giant trade unions now operating in

the United States and some European countries have the power to halt the mass-production and mass-transportation industries, and thus jeopardize the economy of an entire nation. Jefferson cannot be quoted on the problems they present, but there is every reason to believe that he would oppose such power, even more fiercely than he opposed the tyrannical power exercized by the feudal monarchies of his age.

Liberals, in the United States as elsewhere, have always sympathized with the aspirations of the wage workers, but they are confused and frightened by the unprecedented power which some of our trade unions now employ. Jefferson's logic suggests that such power must be tamed. Governmental coercion can at times be justified, but a free people can never submit to coercion by private organizations. Workers may, and often do, have legitimate demands, but the right to create an "imperium in imperio" is not one of them.

However, it would be a mistake to assume that the neo-Jeffersonians in America combat monopoly power only when it is exerted by the great trade unions. They attacked the monopoly power of industrialists, long before trade unions were strong enough to cause any alarm. They insisted that monopoly power was, itself, largely the result of high customs duties, imposed in the name of "protection." Here is the classic example of the way in which State power, unwisely applied, leads to the creation of economic power, which, in turn, is used to exploit the general public. By restricting the freedom of international trade, States make it easier for producers to conspire against the public interest. For us neo-Jeffersonians, State power is never more stupidly applied than when used to restrict the geographical division of labor.

Destroy the Protective Tariff

THE NEO-JEFFERSONIANS would, therefore, destroy the protective tariff system, root and branch. It should not be forgotten that the first national "planning" took the form of state restrictions on international trade. This device, more than any other, has limited geographical specialization, retarded the growth of large scale industries—particularly in Europe—and lowered the per capita productivity of workers throughout the world. It is not the Jeffersonians who are trying to revive the economic self-sufficiency of nations, but those who would use State power to disrupt the natural channels of international trade.

Another charge—equally false—is that we are blind to the changes resulting from increased industrialization and urbanization. We are ac-

cused of seeking to reverse the course of history and return to a pioneer society. It is said that we have no positive program, but only a policy of doing nothing. To the extent that these criticisms are more than cheap jibes, they are based on a complete misunderstanding of the liberal position. It is the liberals, the Jeffersonian liberals, who have insisted that State power be applied to the uttermost to break up monopolies and cartels. It is their collectivist opponents who have maintained that such attempts are futile and only delay the time when the large industries can be taken over by the government.

It is also said—again quite falsely—that Jeffersonian liberals are indifferent to the problem of economic inequality, and the plight of the poor. On the contrary, no liberal—in America at least—with any prestige whatever, opposes governmental relief for the needy. We do, however, prefer that such relief be honest and direct. For example, we favor governmental assistance for those families who cannot earn enough to live according to the accepted standard. We would not, however, seek to solve their problems by establishing price controls, which lower prices for the rich as well as the poor, discourage production, and make black markets inevitable. Price control is an awkward and self-defeating device which shares with inflation the doubtful honor of being the worst form of intervention practiced by modern States.

German readers may wish to know something of the strength in America of what may be called the anti-power tradition of Thomas Jefferson. The answer is not easy. The Democratic party, which still officially reveres Jefferson as one of its founders, seems to have largely abandoned this tradition. After its electoral victory under President Roosevelt in 1932, it supported the extension of the power of the central government, and this often at the expense of the state and local governments. The Republican party, which, for so long as it controlled the federal government, was eager to extend its powers, then became the defender of the states. This reversal of position by the two major parties supports the belief that any political party which controls the central government develops an appetite for power which is insatiable. That "Power grows by what it feeds on" should be readily understood by every German who witnessed the unparalleled concentration of it under der Führer.

In university circles, the advocates of free trade—the intellectual heirs of the Jeffersonian tradition—have won a complete victory. The policy of "protection"—at least for our country and for our time—has lost every vestige of intellectual respectability. It is true that the owners

and workers in the high-cost industries still clamor for governmental protection against the products of the "cheap labor" of Europe and Asia. Our farmers, too, want protection from "cheap" New Zealand butter, "cheap" Canadian milk, "cheap" fruits and nuts from the Mediterranean countries, and "cheap" vegetable fats from the islands of the Pacific. Combined, they still have great political power, but their arguments are used by professors of economics as examples of human selfishness and human folly. So far as the universities are concerned, the protectionists have lost their ideological war.

Education and the Growth of Personality

THOMAS JEFFERSON, playing the sage in his Deist heaven, must be comforted to see how generally American intellectuals share his views. For him, universal education was not only the prerequisite of popular government, but the means by which each man could develop his maximum powers, thus freeing himself from dependence on either the state or the compassion of his fellows. It is significant that in the epitaph which he drafted for his tombstone, he made no mention of the fact that he had been governor of his state, or twice President of the United States, but rather that he was the author of The Declaration of Independence, the author of the Bill to Establish Religious Freedom in Virginia, and the founder of the University of Virginia.

Who carries on the Jeffersonian tradition in the United States? First in number are the anonymous, little people who oppose all plans to have the State fix their wages, regulate their hours, and restrict entrance into certain trades and professions; the women who would repeal such "protective" legislation as restricts their opportunity to work at any tasks, or at any times, that are mutually agreeable to them and their employers; the producers and consumers who wish to buy and sell openly in free markets rather than in black ones, or in markets where prices are fixed by the ukase of a commissar; and, finally, all Americans who demand the right to buy abroad, free from the heavy-handed interference of a central government whose commercial policies are always determined by producers, effectively organized into pressure groups. These people constitute a mighty legion. They may at times lack organization, effective leaders and a comprehensive philosophy, but their inclinations are in the direction of freedom—and the future is theirs.

Who are the leaders among the neo-Jeffersonians? They are, chiefly, those intellectuals and more thoughtful business men, who have come to

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believe that power is the modern Devil, which must be destroyed, or at least enchained, if men are to be freed from their gravest fears. To try to select any living leaders for recognition would be an invidious task. It seems proper, however, to say that until his untimely death in 1946, Professor Henry C. Simons of the Department of Economics of the University of Chicago was recognized in university circles as a leading champion of freedom. He had a profound distrust of power, whether exercized by States, industrialists or trade unions. After his death, his writings, chiefly monographic in character, were assembled and published by the University of Chicago Press, under the title "Economic Policy For A Free Society". Although he never invoked the name of Jefferson —a practice more prevalent among politicians than among scholars—he was a gifted exponent of Jeffersonian democracy, as that term is used in this essay.

In conclusion it may be pertinent to recall that one of the "four freedoms," popularized by the late President Roosevelt, was "freedom from fear." So far, so good. But what is it modern men most fear? It is no longer such natural calamities as floods, earthquakes and droughts, say the neo-Jeffersonians, but State power. How many young men fear that their governments may, even in time of peace, draft them for military service, later perhaps, to sacrifice them in some war which they neither understand nor approve? How many peaceful families fear that as a result of governmental rivalries—chiefly among the Great Powers—their homes may be laid waste, or the tide of battles shall engulf them, or even that their entire region shall be pulverized by atomic bombs?

The Distribution of Military Power

WE NEO-JEFFERSONIANS are realists, not Utopian. We do not know if, nor when, the world may be freed from the scourge of war, and the burden of preparing for it. We do, however, believe that the threat of war would be considerably diminished if the military might of governments were more evenly distributed among nations. If they would then equip the United Nations with overwhelming power, devoted solely to the task of denying to all nations the use of force, except with United Nations' approval, perhaps the goal of universal peace may be attained.

For the present, however, the world suffers from the worst possible distribution of State power. It is generally believed that there remain but two Great Powers, the United States, with its free enterprise economy, and the Soviet Union with its collectivist economy. Each fears and mis-

trusts the other and there are not now a sufficient number of strong independent nations to mediate between them, or to effectively join in resisting the aggression of either of them. The resulting instability is the real tragedy of the post-War era.

Because of this precarious balance of power, the American people are now following, with much sympathy, the efforts of the people of western Europe to create a Western Union, including, ultimately, all the German people who wish to join the enterprise—and are free to do so. Only in this way, it seems, can the smaller States of Europe attain real security against possible military aggression.

We descendants of those Europeans who left their native lands to spread European civilization throughout the world, want Europe restored. Its beautiful countries deserve a better fate than to serve as battlefields. Moreover, so soon as the peoples of Western Europe are strong enough to protect their own lands, they will constitute a mighty barrier, behind which, both the Soviet Union and the United States might feel safe from aggression. Many of us in the United States would prefer to live in a world in which no nation—not even our own—has such overwhelming power as is now controlled from Moscow and Washington. The revival of Western Europe is a condition precedent to the establishment of this new world order.

Mills College

The New Chinese Agricultural Tax

THE ECONOMIC ILLITERACY of the professed Marxists who have seized power with the aid of Soviet arms in China is a joy to behold for those who wish the regime a short life and an unmerry one. For example, the ninth session of the Council Committee of the Central People's Government in Peiping enacted on Sept. 5, 1950 a temporary agricultural tax law affecting 260,000,000 farmers. The following is the official version of the basic principle of the law:

"In the past, China's feudalistic land system was for the benefit of the landowners. The landowners used every means to shift the tax burden to the farmers. The new agricultural tax operates on a more equitable basis. Those having a larger income pay more taxes, while those having a smaller

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income pay less taxes. Those who have a small income or even no income, need not pay any taxes."

The official comment is one for the book. "Thus this law equitably eases the burden of the masses." Thus nothing of the kind. The law eases the burden of the inefficient farmers and it increasingly burdens the more efficient farmers. It encourages the farmers with better lands to plan their holdings for greater consumption rather than greater income, reducing marketings.

As an example of how the kindly commissars are easing the burden of the masses on whose backs they ride, the Peiping statement says: "Taxes on last year's autumn crops amounted to 17 per cent. This year the taxes will be 13 per cent. Thus there is a decrease of 4 per cent, or roughly one-fourth of last year's figure." This may satisfy the norms of Marxist statistics, as Stalinists miscomprehend them, but it will hardly prove gratifying to the farmer. He is concerned with how much he shall pay. Last year the soldiers were riding roughshod over a good part of the area, and soldiers are notorious for plowing under, not up. If the harvest is larger, the same amount of taxes can be collected on the basis of a smaller percentage of the harvest.

That this is precisely what the commissars have in mind is indicated by the succeeding paragraph: "This reduction in taxes will materially benefit the farmers. But the Government will receive the same amount of income from the agricultural tax because of the larger number of taxpayers and the comparatively light famine conditions this year. Also, the people are better organized for tax collection."

What all the verbiage amounts to is that the new law fails to increase the tax burden on the masses if it works the way the commissars hope it will. Considering that the Stalinist principle of taxation is to take all that the traffic will bear, one hardly expects to hear of impolite enthusiasm for the enactment among the Chinese masses.

W. L.

Geopolitics of the U.S.S.R.

By Joseph S. Roucek

II. Contemporary Geopolitical Drives

The Renewed Geopolitical Dynamics after World War II. The fortunes of World War II, and the diplomatic decisions (or shall we say, blunders) made in the high councils of the Allies, allowed the military occupation of Poland, part of Austria, Hungary, Roumania, Bulgaria, Yugoslavia and Eastern Germany. The Russian armies brought with them highly-trained Communist leaders who eventually completed the absorption of their countries into the Russian orbit by the now-well-known Communist techniques—a process completed in 1948 by the installation of Gottwald's regime in Czechoslovakia.[13]

The "Push" Towards Constantinople. Russia's geopolitical drive has long been gravitating toward ancient Constantinople (Istambul), for both strategic and ideological reasons. During the nineteenth century, Pan-Slavism was employed as dynamite against the Austro-Hungarian and Turkish empires, and is now re-employed as a nationalistic and ethnic appeal to the "Slavic kinship" among the communist and non-communist elements of the Slavic peoples.[14]

Pan-Slavism and Macedonia. Pan-Slavism, however, back-fired in the case of Tito, who deserted Stalin's camp in 1948 as a result of his resistance to Russia's plan to make Yugoslavia serve as a Russian colony. In 1949, it was, however, revived again, but this time, as a means of combatting "Tito-ism." Moscow started to promote the plan of uniting all Macedonia within the framework of Bulgaria—a faithful servant of the Kremlin at that time. Such a solution would imply the dismemberment

[13] There are numerous studies describing Communist techniques in their drive to acquire power in satellite countries; see, for instance, Joseph S. Roucek, "One World Versus an Iron Curtain World," in *The Annals of the American Academy of Political and Social Science,* CCLVIII (July, 1948).

[14] Note for instance, that a month before the Kremlin said that the Comintern was dissolved, it formed the All-Slav Congress; a nominally patriotic organization, it called on all peoples of Slavic origin to join in the fight against the Germans. It appealed for Slav unity—and its appeal enticed thousands who could not be lured by the drab dialectics of Marx, Lenin, and Stalin. It became a feeder for Communist intelligence in Allied countries, a means of public pressure for the U.S.S.R.'s aim, and a supplementary source of information, through espionage. For more details, see: George C. Guins, "The Degeneration of Pan-Slavism," in Am. Jour. Econ. Socio., VIII (October, 1948), pp. 50–9; "The Politics of 'Pan-Slavism,'" *Ibid.*, (January, 1949) pp. 125–32, and "The Prospects of 'Pan-Slavism,'" *ibid.*, IX (July, 1950), pp. 439–43.

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of Greece and a loss of Yugoslavia's Macedonia, one of the component Republics of Tito's State. The scheme might begin with a "spontaneous uprising" of Macedonians in all three countries. Sofia might proclaim its devotion to the principle of self-determination and recognize the rights of its Macedonians to secede. While the Greek Communists were displaying a profoundly "bourgeois-nationalist" distaste for the proposed amputation of Greek Macedonia, the Cominform (which, geopolitically, formed one branch of the Comintern, in charge of the satellite countries) expected to suppress this deviation from Marxist dogma without too much difficulty at that time since the former guerrilla commander Markos, leading pro-Tito offender (at the end of 1948) among Greek Reds, had been liquidated.

The Pan-Slavic agitation and Tito's resistance were, in 1949, intimately connected with the Soviet drive to by-pass the Dardanelles by way of Macedonia. Greece's proximity to the Straits made her important to the U.S.S.R.; the United States, in turn, was opposing the possible extension of the U.S.S.R.'s conquests to the Aegean Sea either by way of Greece (Macedonia) or the Straits, and developed, in 1947, its "Truman doctrine."[15] The basic aim of Washington's decision was simple: to draw a line on the Greek border against further Soviet penetration in the Balkans, and thus prevent its further expansion into the Mediterranean and possibly Africa.

The "Push" into Iran. The United States (and Britain) drew a line, marked with "Thus far, and no further!," not only in Greece, but also in Berlin. Since the western air forces in Germany and the Balkan resistance proved to be rather unyielding to the Kremlin the Iranian question went on the agenda of the geopolitical plans of Moscow next to China. If ever a country looked ripe for communism and Soviet domination in 1949, Iran was it.

For generations, Iranians have had complaints enought to justify a dozen revolutions. Poor, weak and undefended, the country stands in an exposed strategic position on the southern border of the greatest European and Asiatic military power. Rich in oil, it would be a plum for any conqueror. Every now and then, in recent years, the Kremlin has shaken the tree. In the spring of 1949 it was shaking it with more vigor than usual. Yet, despite the inefficiency and corruption of most of her governments and the paucity of her resources, Iran remained independent and proud, because for a long time something like a nearly perfect balance of

[15] See Joseph S. Roucek, *Balkan Politics* (Stanford University Press, 1949).

power between the titans of the world had operated on Iran's eroded and impoverished soil.

For many decades that balance was maintained between Great Britain and Czarist Russia, whose embassies in Teheran contended daily for influence in the Iranian governments. After World War II, the United States joined the British in resisting Soviet attempts to dominate Iran and to a large extent, United States influence replaced that of Britain in Teheran. What the U.S.S.R. wanted from Iran was simple, geopolitically: (1) The U.S.S.R. desired that a country with which she shares such a long and venerable border should be friendly and co-operative. From the Soviet point of view, the ultimate in "friendliness," of course, would be installation of a Communist regime in Teheran. (2) The U.S.S.R. obviously objected to have Iran become a military and air base for any potentially hostile power. (3) The U.S.S.R., in a constant search for greater industrial resources, had for several decades cast covetous eyes on the oil locked in the soil of northern Iran. (4) From a long range point of view, the U.S.S.R. wanted an outlet to the Indian Ocean through Iran's territory and a gateway for communism both toward India to the East and the Arab States to the west of Iran.

Teheran, however, had survived periodically recurring crises between 1945–49, and the Iranian charges of undue interference by Russia in Iran's internal affairs were still on the agenda of the United Nations Security Council in 1949. But Iran's firmness against the U.S.S.R. did not rest on her own military prowess (and the U. S. had only two tiny military missions for training in Iran in 1949), but on her faith in the coming declared or undeclared war, she would be helped, again, by America's determination to stop Russia's "push" into Iran; for it was primarily American influence that helped the Iranians to expel from Azerbaijan the Communist regime that the Soviets left behind in order to gain a foothold in the country soon after World War II. In other words, it was to the American and British interests to maintain the independence and territorial integrity of Iran, and this fact, in turn, helped to support the balance of power so precariously maintained throughout the world between Britain and the United States on the one hand and the Soviet Union on the other. Iran's days of trial and perhaps of reckoning will come when, or if, that balance is upset in favor of the U.S.S.R.

Turkey's Precarious Position. Turkey's post-war position was similar to that of Iran after World War II. While the Kremlin stopped pushing directly toward Constantinople in the immediate post-World War I years,

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the ancient drive toward the "warm waters" there was renewed in 1945, when the U.S.S.R. requested the revision of the existing treaty of friendship and neutrality with Turkey. This request left the Soviets free to press Turkey for concessions in Turkish Armenia and bases from which they could dominate the general area of the Straits. But the resistance of the European great powers against the Russian pressure is as determined as the recent realization of Washington that the U.S.S.R. must not be allowed to dominate the Straits. As a result, the pressure on Turkey was eased up, and the flanking movement, the pressure on Macedonia and on Iran, were inaugurated.

Afghanistan Zone. Afghanistan, just like Iran, is also in the path of a traditional Russian pressure toward the sea and on the historic invasion route to India. With the withdrawal of the British from India, this State had to give in to certain Soviet demands—and in 1946 the Kushk district in the province of Herat (where Iran, Afghanistan, and the U.S.S.R. meet) was handed over. (Note it is located within a hundred miles of the Tirpul oilfields of Herat province).

The "Acquisition" of China. The Communist victories in China in 1949 opened up, strategically, a "second front" in the cold war; as a result greater tension, for the first time, existed in Asia than in Europe. In 1950, the Kremlin started formulating a plan to gain control over northern and western China and eventually establish a land bridge between the Soviet Union's Central Asian republics and the maritime provinces. Communist ideological dynamism began to press with increasing strength from Korea down to Indo-China, Malaya and Burma. The recognition of the Viet Nam rebel movement by the Soviets was accompanied by a Cominform blast calling upon all Oriental Communists to stage armed insurrection. The obvious basic endeavor by the United States must be to create exactly what the U.S.S.R. is seeking to prevent—a line running from West to East across southern Asia, blocking further Communist advances. In a sense, this is what Britain always sought when India was British. (Such a frontier between spheres of interest was established between Britain and Russia in 1907; by and large it has prevailed ever since). The border States which must be brought more closely together for their mutual protection are Turkey, Iran, Afghanistan, India, Nepal, Burma, the three States of Indo-China (Viet Nam, Laos and Cambodia), Siam and Malaya.

On the western edge of Manchuria and China lie two key "inner frontier" areas—Mongolia and Sinkiang. One million (of the three mil-

lion) Mongols have since the war formed a new "independent" Mongolian People's Republic, actually a complete Moscow satellite. The strategic implications of a Sovietized Mongolia should not be underestimated: with the establishment in 1949 by the Chinese Communists of an "Inner Mongolian Autonomous Region", a ribbon extending east from the People's Republic across to the Manchurian and Chinese borders, the Soviet Union's influence is being effectively consolidated in northeast Asia. Less definite so far, but in the cards, is Soviet domination of Sinkiang, a mountainous area, with valuable tungsten, oil, and possibly uranium. This will solidify Soviet comand of most of the "inner frontier" between the U.S.S.R. and China.

The Arctic. The Soviets have been increasingly interested in this region. In 1932 the Central Administration of the Northern Sea Route was formed, and the Russian armed forces were given considerable responsibility in its organization. As early as November, 1924, the Soviets had laid claim to *terra nullius* between the U.S.S.R and the north Pole. During World War II, the Soviets received a surprising amount of supplies via the Arctic route. Today, a "frozen curtain" now reaches from Murmansk to North Korea; increased sea traffic across the North has gone hand in hand with construction of new ports, secret airfields on land and ice, and hundreds of weather stations.

Siberia. These developments have coincided with stepped-up industrialization in Siberia. In addition, Port Arthur and Dairen again complement Vladivostok as a warm-water naval base on the Pacific, and the newly ceded Kuril Islands afford year-round access to the open ocean. The Russian airstrips on the Chukotsk Peninsula, just across the Bering Strait—which separates by fifty-five miles American and Soviet territory —"are the only bases in the world from which four-engined aircraft of the B-29 type could—theoretically at least—bomb the atomic-bomb plant at Hanford, Wash., and adjacent areas of the Pacific Northwest and return."[16]

Trends. Geostrategists, beginning with the late Sir Halford Mackinder, have always maintained that a self-sustained land power can ultimately defeat a sea or a marginal land power. Both Soviet Russia and China showed how effectively they could trade space for time in World War II. Since then, the Soviet Union has extended even further into "space." On reaching, probably, its limit of expansion in Europe, the extension of Soviet influence will continue in Asia. Thus the importance of Asia to

[16] Hanson W. Baldwin, "Soviet Builds up Siberia," *New York Times*, March 13, 1949.

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Soviet Russia's sphere. Although Mackinder and his associates failed to envisage the rise of the air age, the domination of the two-thirds of Eurasia (13,860,000 square miles) by Soviet Russia appears to be the most pressing problem facing the United States, due to the persistent dynamics of the Soviet State, holding, in 1950, the mainland initiative. War and peace eventually will be determined by the degree to which she will be able to consolidate her Asiatic triumphs and the ability of the United States to hold on, defensively, to a broken rim extending from the Bering Strait down through Japan, Korea, Okinawa, Formosa, Hong Kong, and Singapore.

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Making New Farm Techniques Pay

WHEN A NEW FARM production method is developed two questions arise: Is it feasible in practice? Will it pay a farmer to use it? Assume the new method is workable. Will it pay? One factor that makes a difference is whether the method saves cash or farm-family labor. If the latter, is there a profitable alternative for the labor saved? Again, the adoption of a new practice usually involves changes in the entire farm production pattern—new combinations of men, land, and machines must be developed. Will that be too cumbersome or expensive? Take as an

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example the mechanization of cotton in the Mississippi Delta, cited by Dr. Sherman C. Johnson.

If cotton is produced with one-row mule equipment, hand-chopping, and hand-picking about 155 man-hours per bale are required. If a tractor is introduced only to prepare the land, about 149 man-hours are needed; if it is used to prepare and cultivate the land, the figure becomes 132 man-hours. If the cotton is also picked mechanically the figure drops to 45 man-hours. If a fully mechanized operation could be carried out, cultivating with a rotary hoe and flame cultivator, and hand-chopping eliminated, it would require only about 10 man-hours per bale! Even if complete mechanization worked, would it be profitable under all conditions? That would depend, in part, on the size of the operation.

At least a hundred bales of cotton must be produced to make the use of a cotton-picker pay, or else the owner must do custom work with it to make up the difference. Adoption of the picker with retention of hand-chopping shifts the peak labor load from picking to chopping. The farm-production pattern may have to be changed almost entirely to permit increased mechanization. The influence of the size of the farm and of the operation is a primary factor in determining the profitableness of using the new agricultural technology in every field. We need more farm-scale testing of research findings in this field to determine the most profitable combinations under varying farm conditions.

Technological improvements during the last 40 years have greatly increased the efficiency of farm production, but the increases have been much smaller in some crops than in others, and also in different livestock enterprises. The percentage increases in production per man-hour from 1910–12 to 1946–48 is as follows for different products: Food grains 224, feed grains 103, cotton 54, milk 49, hay 30, meat animals 20 and tobacco only 7. Perhaps our research programs also need re-examination to determine the lines upon which we should concentrate so as to facilitate farm adjustments that will enable us best to produce our prospective needs for specific products.

T. Swann Harding

USDA, Washington

Marx's Influence on American Thinking

By Arnold M. Rose

In the current attack on communism as a political force, there is only the vaguest understanding in the United States of the ideas underlying communism. Karl Marx is little more than a name and a picture of a man with a bushy beard to most Americans. As to his ideas, there is a popular misconception that Marx advocated common ownership of all property and the abolition of the monogamous family. Even the educated person outside the ranks of the intellectuals has not been exposed to the ideas of one of the most influential thinkers of modern times, one probable reason being that most university teachers are afraid of accusations that they are friendly to communism. One result has been, we hold, that Americans have been much more influenced by Marx's ideas unconsciously than if they had been allowed rationally to examine them and to think through them.

Of course, some Communist ideas have become clear to many Americans, and there is widespread opposition to these ideas that have become clear. Among such ideas is Lenin's dictum that "the ends justify the means" (that is, that any technique—no matter how vicious—should be used if it helps a good cause) or Stalin's "popular front" policy of seeking to gain allies among those who happen to have a few aims in common with the Communists. But most of the ideas behind communism are the older ideas of Marx and these are seldom discussed and still more rarely opposed. Why is this? Hitler's and Mussolini's ideas (anti-semitism, glorification of the State, might is right, etc.) were widely discussed and frequently and publicly denounced in the United States, while those two gentlemen were influential in the world. Other political-economic ideas come in for widespread public discussion and denunciation or approbation—such as Townsendism, technocracy, or the New Deal. Why are not Marx's ideas similarly analyzed, discussed and criticized?

It is the thesis of this article that an important reason is that many of *Marx's main ideas have already been accepted uncritically by most Americans.* There is no discussion and criticism because the ideas have been accepted as right and unquestionably sound. Despite the claims of Communists that Marx has had woefully little effect on Americans, and the similar claims of anti-Marxists that America does not provide a congenial

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intellectual soil for Marxist ideas, this article will try to set forth some reasons for believing that the theories of Marx have penetrated deeply into American thinking and motivations. (Perhaps this agreement between Marxists and anti-Marxists has also helped to discourage discussion of and opposition to the ideas.)

American businessmen—who think of themselves as most opposed to communism—are frequently the ones who are most convinced of the soundness of some of Marx's ideas, although they would be shocked to hear that these were Marx's ideas and fundamental to communism. I know of one secret Communist—a personable fellow of high ability—who hobnobs with many of the leading businessmen in a large American city (guilt by association?). They do not know that he is a Communist, of course, but it is fascinating to see how many of his ideas are readily acceptable to them. These people, along with many other Americans, have little ideological defense against communism, and when Communist ideas come to them under another name—or are spoken without being labelled, by an agreeable face—they will not resist them.

A qualification: Many of the ideas associated with Marx did not originate with him. Marx, like all other writers and thinkers, borrowed extensively from previous writers. And few of his ideas have come down unaltered, without additions and qualifications, by later political and social philosophers—both Communist and non-Communist. Yet the ideas we are to consider were essentially Marx's in that he formulated them in the way most of the world knows them today, and he related them to his theory of communism.[1] They are Communist also because Communists use them as the rationále and set of ideals for their movement, even if they do not follow them strictly in practice. Marx's theories thus are to Communists what the ideals of the Declaration of Independence are to democratic Americans. They are also used by Communists in non-Communist countries as a Trojan horse, a way of getting inside the defenses of these nations to weaken those defenses.

I

THE FIRST OF THESE IDEAS is that all political opinions and philosophies may be arranged along a single line from right to left. When a new

[1] We are using the term communism to refer to Marx's political theory and to the political movement associated with the Soviet Russian government and the Third International, not to the general principle of common ownership. Similarly, "socialism" refers to Socialist political parties, and not to the principle of nationalization. "Social Democracy" refers to political parties working for liberal reform not guided primarily by Marx's doctrines.

political point of view is expressed, or a new political party is born, people say it is "extreme right" or "a little left of center." The extremes of this line are supposed to be the Fascists on the right and the Communists on the left, with the New Dealers or the Christian Democrats near the center, the Republicans toward the right, and the Socialists toward the left. This idea is, of course, at least as old as the seating arrangement in the French Convention of 1792. But Marx took up the simple mechanical concept and gave it a place in his theoretical structure. All modern political philosophies, he held, should be classified according to the extent to which they would serve the interests of the working masses. Those at the right were philosophies or parties that served selfish class interests and those at the left were those that were for the people—and he placed his own philosophy for all time at the extreme left because it was not only for the people but would wipe out opposing selfish interests completely. This concept is held today almost as an assumption or definition: "The left" *means* liberalism and radicalism, and "the right" *means* reaction. Yet the fallacies in the concept could not be more obvious:

(1) Communists are thereby assumed to be unselfish, even in their personal relations. Actually their altruism extends only to devotedness to the Party's cause, and in other relations they are much like other people.

(2) Fascists are assumed to be against revolution. Actually the world has seldom seen such drastic and sudden revolutions as those perpetrated under the leadership of Mussolini and Hitler.

(3) Communists and Fascists are supposed to be at extreme poles from one another. Actually there are fewer specific differences between them, than between either of them and one of the "center" groups.

(4) If a policy is generally described as, say, liberal, people who categorize themselves as liberals usually assume that this is the only policy they can hold as liberals. Actually, any political position can embrace a number of policies. Likewise, a given policy can legitimately be adopted by people who hold widely differing philosophies. For example, Fascism can be both revolutionary *and* reactionary, and old age security laws can be supported by both Conservatives and Socialists.

(5) Communism is considered to be more willing than socialism to engage in extreme measures for the benefit of the people, and socialism is put a stage beyond the New Deal or social democracy in

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this respect. Actually, people in Communist countries have had little evidence of the government acting for their economic benefit. And there are some fundamental differences between communism, socialism and social democracy which have little to do with benefits to the people. Socialists and Communists have found much less in common to co-operate on than have Communists and Fascists. And Social Democrats (the nearest to which in the United States are the New Dealers), while confused into thinking they were very close to the Socialists, have somehow gagged at many truly Socialist measures.

Americans dislike the word "communism" and many specific policies of Communist government. Nevertheless, they unconsciously think of Communists as extreme "leftists," and the left is associated in their minds with all-out efforts in favor of the underdog. The Communists are still thought of as "idealists" even if "crackpot," "misguided," and "dangerous." Thus, unconsciously the Communists are made out the heroes of this linear arrangement in terms of altruism and courage, and their position is agreed to by all those who accept the mechanistic Marxist idea underlying it.

II

CLOSELY RELATED to the political straight line fallacy is the widely held Marxist idea that all improvements in the condition of the underprivileged involve changes in the "left" or radical direction. It sounds queer when we assert that Negroes—who may be counted among the most underprivileged—would benefit most by changes in a conservative direction. Yet vigorous enforcement of existing constitutional and statute law—a truly conservative policy—would do more for Negroes in the United States than any other single measure. Another example: The privileged big business group would actually be most seriously hurt by the "conservative" (or "reactionary") policy of smashing monopolies and removing other restraints against trade. The practical danger of this fallacy is that political policies may be pursued for the purpose of helping the underprivileged, but with the actual effect of hurting them. An example may be taken from the New Deal's (or, rather, Henry Wallace's) Agricultural Adjustment Administration—known to the public as the "killing the little pigs and plowing under the crops" policy. This was enacted into law in 1933 in an effort to sustain the prices of farm products and so save the farmer. Actually, its major effects were to raise the cost of living for the great bulk of the American population that does not live on farms and to drive many farm laborers and sharecroppers out of any employment.

Another Marxist idea of relevance at this point is that only the workers and farmers are producers,[2] and they alone make up the proletariat for whose benefit the Communist government is to be run. The acceptance of this idea in the United States is shown by the fact that much of the legislation for the benefit of the underprivileged excludes and exempts many of those who are economically least well off—the domestic servants, the white collar workers, the farm laborers and the self-employed. Examples of legislation which ignore the needs of all or different sets of these groups include the social security law, the minimum wage law, the aforementioned Agricultural Adjustment Act, and most of the labor legislation. Not only are these occupational groups under-privileged but they perform essential economic services without due recognition. Their hours of work tend to be long, their pay low, and—for at least the servants and agricultural laborers—their work is hard and unpleasant. Marx regarded the white collar workers and the self-employed (professionals or owners of small establishments), as middle class—"petit bourgeoisie"—who are destined either to disappear or to play no rôle in the struggle for power between capital and labor. Therefore, it is quite proper to ignore them, according to the Marxists. Yet it is a matter of fact that the self-employed and white collar workers constituted about 37 per cent of the employed American labor force in 1940. It is, further, a matter of general historical experience that economic progress will increase, rather than decrease, the relative size of this group.

In Marxist theory not only are the workers the only producers but they are also inherently revolutionary. Not owning the means of production, workers must inevitably seek to overthrow the power of those who do own the means of production. Capitalists have readily fallen in with this line, and tend to regard any organization of labor as a threat to themselves and to the economic system of the United States. No belief could be more mistaken. Dozens of studies show that workers generally hold attitudes that are basically conservative. It is only when they are threatened with unemployment, with a sharp reduction in standards of living, with arbitrary treatment, that they show any signs of becoming revolutionary.

This is where labor organizations come in—they are started, and usually maintained, primarily to prevent these things from happening to workers.

[2] Marx himself was concerned primarily with the urban workers, but his followers added the farmers and soldiers to the list of underdogs. Since we are talking only of producers, we ignore the soldiers here.

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Thus unions prevent the conditions under which workers might become revolutionary: they are, in the most real sense of the term, conservers of the existing social and economic system. When shortsighted or selfish businessmen or politicians seek to tear down the structural supports of our society for their personal short-run gains, it is the unions that prevent them from doing so. It is no accident that the CIO unions have become much more conservative than they were in their organizing days in the mid-thirties. And, as most students of labor organization predict, they will become much more conservative once the principles of unionism and collective bargaining are accepted by the employers.

Only one thing can now make unions revolutionary: that would be a powerful drive to break them up. The Taft-Hartley law seemed to herald such a drive, and caused the AFL unions to exhibit more revolutionary behavior than they have shown for almost sixty years. The movement of the AFL into politics, into worker's education, and into new organizational drives in 1948 was a direct consequence of the Taft-Hartley Act. This represents more than an effort to preserve the unions and the high-paying jobs for union leaders; it also represents an attempt to preserve security for the average worker. Employers delude themselves into believing that most workers do not really want a union but are forced into it because of the "closed shop." They grossly underestimate the need for security—and the feeling of partial security which union membership brings. The drive for security is a most conservative force in our society, at least until such time as it becomes evident that security cannot be achieved under our economic system. Employers who strike at the sources of security are more effective breeders of revolution than the Communists who can only talk.

III

CENTRAL TO THE MARXIST SYSTEM is the theory of economic determinism. The theory holds that economic motives are the sole ones that determine human behavior (at least in non-Communist societies) and that economic forces are the sole ones that mold the course of history. An adequate criticism of the theory could not be undertaken here: several excellent criticisms already exist in the literature (ranging from Max Weber's *Wirtschaft und Gesellschaft* to Gunnar Myrdal's "An American Dilemma," appendix 3). The Communists do not believe the theory themselves, for they do not act as if it were true, and several of their leading philosophers have modified it in their writings. But the Communists use the theory to

encourage the belief that the future will be in their hands and that democratic governments are only pawns of the rich.

It should also be pointed out that not only the Communists spread the theory of economic determinism, for the fallacious thinking has spread to others. To take just one example: the noted historian, Charles A. Beard, taught generations of students such beliefs as that slavery was not really a major issue in the Civil War and that the Constitution was written to protect the interests of the wealthy against those of the poor. (We could smile to think that this much respected historian's last book went to the opposite extreme, equally fallacious, in historical interpretations: the sole reason the United States entered the Second World War is that Franklin Roosevelt—not an economic force but a single man—plotted to get us into it). Many students and readers think that Beard's economic interpretations of history are the last word in sophistication. Such students are particularly susceptible to Communist propaganda of economic determinism.

But the false Marxist idea of economic determinism has spread much further than among the followers of Beard. In daily street-corner conversations as well as in political campaign oratory, one hears: "Wall Street runs the country" (claimed by admirers of Wall Street in private conversation as well as by detractors of Wall Street in public oratory); "Labor leaders are like anyone else. They're only in it for what they can make off the workingman"; "The Southern reactionaries are kept in power by the Northern businessmen"; "The munitions-makers got us into war." These and similar statements have just enough truth in them to make them sound plausible, but a thorough analysis would show, not only that they are not entirely correct, but that they encourage policies which lead to the weakening of democracy and, consequently, the strengthening of communism.

One of the most dangerous notions that stems from Marx's theory of economic determinism is that deliberate efforts to improve social conditions or to change existing trends in any way are futile. Only economic forces determine the course of history in the long run, it is held. Even the Communist Revolution will come to every country without anybody doing anything about it, since the economic forces under capitalism are grinding all but a few rich capitalists into deeper and deeper poverty and are making the rich richer. Of course, the Communists do not act on this theory: Following Lenin, they deliberately use every tactic they possibly can to strengthen their position, and they scorn to rely on the blind

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forces of history. But they propagandize everyone else to believe that deliberate social action is futile.

Actually, the facts prove their propaganda wrong. The workers and farmers have had a steadily rising standard of living. Excess profits taxes, income taxes, inheritance taxes, and restrictions on monopoly can and have limited the size of large fortunes and restricted any one individual's economic power. The activities of government and the trade unions have greatly increased the security of workers and farmers in our modified-capitalist democracy. That is one reason why the Communists hate liberal reformers more than they do reactionary and narrow-minded businessmen. It is also one reason why, when the Communists gain control of a labor union or a voluntary association, they do not try to use it as an instrument of social reform or betterment of condition for their members, but primarily to make a big noise, promote resentments and hatreds, and to manipulate the group toward revolution.

All social groups, including unions and governments, Communist and non-Communist, can engage in all sorts of activities to improve the happiness and well-being of their members. We do not have to wait for the Communist Revolution to promote progress and justice. Yet many non-Communist Americans have been so fooled by the doctrine of economic determinism that they believe nothing can be done, and that impersonal economic forces will control the future completely. This point of view is most congenial to many businessmen, except, of course, that they favor action by the government and by their associations when it helps them personally.

This basic similarity between big business and the Communists can be seen in many ways, if one looks carefully. But it was seen most openly and clearly in the 1948 combined effort to get a reactionary, isolationist candidate for President of the United States on the Republican ticket, and to elect the Republican candidate over the Democratic candidate. That was the avowed objective of the Communists in their writings for their own members, just as it was the avowed and publicly-stated purpose of the big business groups arising out of their desire for "no government interference." Both groups wanted Taft for President, because he was against government interference and for relative isolation in international affairs (although the ultimate motives of the two groups in wanting these same things were, of course, extremely different). Failing to get Taft, they both supported the Republican candidate as over against the Democratic candidate. The Progressive party—controlled by Communists—succeeded in

turning the electoral votes of three states—New York, Maryland and Michigan—over to Dewey. Not all those who voted Republican or Progressive, of course, had the motives of their leaders.

IV

THERE IS A MORE FUNDAMENTAL agreement between the Communists and big business on another of Marx's ideas. This is that big business is more efficient than small business and that therefore big business will soon drive small business out of existence. There is a certain element of truth in this doctrine: It would be hard to imagine any efficiency arising out of a number of small, competing utility companies, local transportation companies, communication industries, and other "natural monopolies." But despite the efforts of paid apologists for the big corporations to prove them necessarily the most efficient and despite the efforts of the big corporations to use racketeering and monopolistic methods to prevent the rise of competitors, the competitors do continue to rise because they are economically efficient.

The advantages of big business are seldom those of economic efficiency but are rather those of power and monopoly. The latter are real advantages and may yet prove the accuracy of Marx's prediction that the concentration of power in the hands of a few will lead to a revolt of the masses, to a Communist Revolution. But there is nothing inevitable about such a concentration of power.[3] The labor unions, consumers' groups, hardy small businessmen, as well as the federal government much of the time, are forces working to prevent the concentration. Nevertheless, there is a relatively low amount of real conviction that the concentration of power can be prevented. Marx's idea and the practices of big business thus combine to reduce the faith of Americans in economic freedom, on which political freedom is largely based.

Economic determinism has also prevented us from seeing that democracy is a matter of participation of the entire people in politics. With the low value placed on politics, compared to economic interests, it does not seem important that people be what Brandeis called "public private citizens." This is, incidentally, a reason why communism can never be democratic, even if—by some miracle—the dictatorship should disappear. The Communist conception of man is that he is an economic being, concerned with the satisfaction of his wants. Marxist theory

[3] This is not the place to take up economists' theories of alternatives to the growth of monopoly, but the reader is referred to such divergent writings as those of J. M. Keynes, Frank Knight, the Webbs, and Sumner Slichter for suggestions.

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ignores man as a creative ego, striving to create a better society. This betterment of society comes about by political means, by individuals associating themselves with each other *to educate* their fellow men in their own views and to try *to enact* current interpretations of social welfare. While people specialize in their political interests in a democracy, they all participate.

Yet there has grown up in America the notion that politics is evil and demeaning, and that to keep oneself clean one should have no more to do with politics than to vote every few years. This not only fits in with Communist ideology but it also promotes the Communist program. If most people stay out of politics, there will be less political action to meet the people's needs, and therefore more dissatisfaction with the governmental structure. There will also be a sense of isolation from government and of irresponsibility toward government that makes revolutions possible when crises provide a final provocation. While political apathy and a popular attitude of irresponsibility toward government are great in America, such attitudes have apparently declined to a slight extent in the past decade under the stimulus of the New Deal. It is difficult to assess the exact historical rôle of Marx's idea in the creation of these attitudes, but it is suggestive to note that political apathy and cynicism had their greatest uprising immediately after the First World War, a time when Marxism was making its first real imprint on the United States.

If Marxism discourages popular participation in government in the United States, it is far more discouraging in the Soviet State. Marxist dialectic holds that communism is the final and perfect form of the State (therefore not to be tampered with), and that the dictatorship of the proletariat is an essential prerequisite of this perfection (therefore also not to be opposed). Thus the Soviet citizen is strictly enjoined from participating in his government, or to work in any way for its modification. American democracy, on the other hand, does not specify what is perfection in government, and each citizen is encouraged to act for those changes that he thinks best—providing only that he does not interfere with another citizen's efforts. That is the democratic theory, at least, as distinguished from Marxist theory, although neither of them operates practically quite according to their theoretical ideal.

Marxism shares its antipathy to social engineering with nineteenth century economic *laissez faire,* and the latter has modified the effect of the theory of political democracy in America. This is probably one reason why the business group—strongest theoretic supporters of gov-

ernmental non-interference and *laissez faire*—finds it has so much in common with the Marxist theorists. Neither of them believes it possible or desirable to use organized popular effort to work against the "natural" economic forces. The theory of political democracy, however, has worked to save American businessmen—and the entire nation—from the results of their own folly, for crises in America have always been met with organized popular action. Stalin's "modification" of Marxism has served something of the same rôle in Russia, but it remains to be seen whether a dictator's actions are as effective as a whole people's actions, even when the people are hampered in America by theories from both the classical laissez-fairist David Ricardo and the Communist Karl Marx.

V

WHILE POLITICAL DEMOCRACY is hampered by the *laissez-faire* notions associated with capitalism, there is otherwise little opposition between democracy and capitalism. Capitalism, conceived strictly as a form of organizing the economy, contains the principle of spreading wealth and power as widely as possible—although theorists of capitalism after Adam Smith neglected this phase of his theory. Capitalism, uncontaminated by monopoly, is probably surpassed only by local co-operative organization as a method of economic organization which spreads wealth and power among a large proportion of the population. Thus political democracy is fairly congenial to capitalism, and democracy uses capitalist forms whenever it finds them useful to solve any problem that arises—just as it uses other congenial economic forms that are demonstrably useful.

Marxist ideas have entered the minds of many Americans, however, and there is a growing tendency to regard capitalism as the source of most evils, and to forget the very real contributions capitalism has made to prosperity, to scientific and other intellectual advancement, to the diversification of philanthropy, and to political freedom itself. There is an increasing assumption in the United States that reform is always to be achieved by abolishing capitalist forms. There is less of a tendency to examine the facts in a particular situation and to study the probable effects of each of the alternative ways of solving it.

If there is trouble with the railroads or mines, many people attribute the trouble to capitalist exploitation and demand the nationalization of these industries as the solution to the problem. If price fluctuation creates insecurity for farmers, the only solution is government price-fixing and government paying farmers to destroy crops and livestock.

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These may be the best ways to handle the problems, but there has not been enough examination of alternative solutions.

The propensity to assume without question that economic evils have their source in capitalist forms is paralleled by the propensity to believe that all deviations from capitalism represent social reforms. The result has been for several of our "social reforms" to end up in worse tangles than the situations they were intended to solve, and for even more of them to transfer power from the "many" to the "few" against the principles of political democracy. The Agricultural Adjustment Act and the National Recovery Act of the nineteen thirties provide outstanding examples.

These tendencies are perhaps most influential in times of depression. Marx regarded the business cycle of booms and depressions as a simple and unique result of capitalism. Americans have come to agree with him to such an extent that, on the one hand, they are afraid to take steps in advance to prevent depression for fear of "destroying capitalism," and, on the other hand, when depressions come and they take steps to cure it or to alleviate its harmful effects, they regard these as anti-capitalist. Actually, depressions are extremely dangerous to capitalism, and democratic efforts to prevent, cure, or alleviate depressions are ways of saving capitalism. Economists know many ways of preventing and curing depression, without resorting to Communist or Socialist economics, but only a few of the ways have achieved popular acceptance.[4] The others are regarded as "not feasible politically"—that is, there is a belief that the public will not accept these ways. This is only further evidence that the public is under the influence of a belief that depressions cannot be solved under capitalism. For nothing strikes terror in the heart of the majority of Americans so much as the thought of going through another depression, and therefore they should be willing to examine all ways consistent with democracy of preventing and easing depressions.

VI

THE POINTS WE HAVE COVERED add up to a eulogy of a great thinker—Karl Marx. Few men have had ideas with such great influence, especially on those who believe they abhor the man and his ideas. We have singled out those of his ideas which have had the greatest influence on Americans,

[4] There is a large and respectable series of studies and essays by economists accessible to businessmen on how to prevent and cure depressions and still retain capitalism. Many would be as flabbergasted as most Communists by an objective reading, for example, of Paul Douglas's *Controlling Depressions*, (New York, W. W. Norton and Co., 1935).

and have found that the influence has been harmful to democratic action, capitalist economy, and clear political thinking. We have ignored his other ideas, because they seem to have little influence in the United States. It may be that these other ideas are intrinsically less harmful, and some of them have undoubtedly aided clear thinking on economic and social issues. The avoidance of some of Marx's theories has hampered efforts to solve major problems of capitalist organization. For example, it was not until the publication of Keynes' "General Theory" in 1935 that any non-Marxist economist would face the fact that a purchasing power lower than total economic product was bound to create unemployment.

Communists—the official followers of Marx—have not done justice to him by way of pointing out all his influence on American thought and action. Perhaps one reason for their modesty is that they have found that Marx's ideas have softened American minds to their own propaganda. For them to label the ideas in Americans' minds, which are useful to Communist purposes, as Marx's would perhaps simply weaken some of their more effective talking points. But non-Communist Americans should have no such resistance; they ought to be able to examine the merit of their ideas in the light of their democratic values. Capitalism need not necessarily take the selfish, narrow and monopolistic road predicted by Marx, and so may save itself from the revolution to which Marx showed this road led. Clear examination of the effects—political and social effects, as well as economic ones—of policies and of prevalent ideas can thus be one of the strongest defenses America can have in the current international struggle. One of the strengths of a democracy over a dictatorship is that it can rise above the errors of even the greatest philosophic and political geniuses.

University of Minnesota

Land Reform Receiving Attention

MANY NEWSPAPERS are editorializing on the land question especially in Korea and China. A strong editorial on "Bread and Land," in the *St. Louis Post-Dispatch* began: "Communism has an ancient ally in its struggles for men's allegiance, and it is land hunger," and ended: "Land hunger is an older enemy of peace than the doctrines of Marx or Stalin, and more dangerous than any fifth column."

Karl A. Wittfogel, economic historian, in *The Survey,* pointed out that Czar Nicholas, Chiang Kai-Shek and Syngman Rhee had one fault in common—they failed to recognize the importance of the land question and by their neglect paved the way for communism.

ROBERT CLANCY

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The Age-Old Problem of the Land

IN THE LAST HALF CENTURY incredible progress has been made toward assuring the good fruits of our mighty industry to the greatest number. We have not abolished poverty; we shall never abolish it completely, so long as man is exposed to crippling accident and lingering disease of body and mind. But with the expansion of social security, with the marvellous advance of medical science, with the quickening of the public conscience toward the handicapped, the sharpest fangs of poverty are being drawn.

We cannot be so complacent about peace. The world cries peace, peace, but there is no peace. True, actual fighting is confined to a few areas remote from our American experiences. But the "cold war" goes on remorselessly. The world is divided into two great camps, and only a born optimist can foresee a peaceful rapprochment in the near future.

If it were merely a conflict of ideologies we could take heart. For ideologies grow weary. But there is something deeper over which the ideologies flutter. That is the age old problem of the land.

There was never a time in history when the man who worked the land was content to give up a share of the product to the holder of legal title to the land—often an absentee. Agrarian revolt has become endemic in much of the eastern world. We shall encounter it sooner or later on the American continent, where indeed it won its first successes in the Mexican revolution.

Land to the peasants was the most effective slogan of Lenin and Trotsky, in the Bolshevik revolution. There was no sincerity in Communist agrarianism: once communism is strong it takes the land away from the peasants and organizes agriculture in collectives, where no man can call a square foot of soil his own.

A few wise American statesmen understand the relation between agrarian unrest and Communist advance. At the head of this category of statesmen stands General MacArthur. But most of our statesmen refuse even to recognize the existence of the land problem.

In time we shall grapple with the land problem, and communism will wane. We shall then enjoy peace and plenty.

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Achille Loria: Agrarian Determinist

By Paul Meadows

Economic determinism is so widely identified with Marxian socialism that it is seldom remembered now that there are, or have been, other varieties. It is, however, possible to interpret social phenomena by way of agricultural economics and agricultural history. Not nearly so well known as his American contemporary, Henry George, the Italian writer, Achille Loria was equally concerned with the construction of a system of agrarian determinism. This paper proposes to summarize his general theory, as developed in the available English translations.

I

Achille Loria was born March 2, 1857 at Mantua, Italy. He studied jurisprudence at Bologna, receiving his LL.D. in 1877, at the age of twenty. He studied political economy at Pavia with Professor Cosca and statistics at Rome with Professor Messadaglia. Later he was sent abroad by the Italian Government to pursue advanced economics at Berlin with Wagner, Engels, Meitzen, and especially the study of scientific materials in the British Museum. In 1881 he was made extraordinary professor at Sienna, and in 1884 he became ordinary professor of political economy. In 1891 he went to Padua and thence to Turin in 1903. He was a member of the Academia Dei Lincei, a corresponding member of the Royal Economic Society of Great Britain, an honorary member of the American Economic Association, and a member of the Royal Society of Naples.

Loria's interests were primarily academic. Invited in 1904 by the Italian Socialist party to be a socialist parliamentary candidate for Turin, he refused on the ground that parlimentary life would interfere with his theoretical studies. Of him a colleague, Uno Rabbeno, wrote in 1892: "It is a remarkable fact that in the ten years that have elapsed, during which his then youthful mind has reached its maturity, his theories have not substantially changed" [7, p. 259].* Rabbeno was referring to Loria's first book, "Agricultural Rent and Its Natural Elision," published in 1879. Loria wrote some thirty books, of which only a few have been translated into English. Those which are available in English, however,

* [References to numbered citations in the text are collected for convenience at the end of the article.—Editor].

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seem to give us a reasonably adequate statement of his social theory. It is a system of economic determinism which, unlike that of Karl Marx, was agrarian in premise, method, and conclusion.

Loria's social theory has a persistent and thorough-going reference to the land and to the landed estates of his time. The predominance of the latter in Italy dates from the destruction of the feudal system in that country about the thirteenth century. The rise of the landed estates was affected by the withdrawal, as Loria pointed out, of "all landed estates from the liberated serfs" [6, p. 203]. To this fact must be added, by way of interpreting Loria's preoccupation with agrarian economics, the circumstance that modern industrialism started in Italy only recently. Italian economic data did not lend themselves to the type of analysis common in England or Western Europe. National unification was effected in 1870, and it resulted both in economic development and in an awakened intellectual life. This new intellectual life was largely socialistic and attained great proportions under the leadership of Labriola, Turati, Ferri and others. Marxian socialism, though it achieved a vogue in Italy, never was orthodox. Italian Marxists were less interested in the class struggle, much more concerned with the legal-political-economic determinism of history. A new historiography arose which interested itself "with the economic history of nations" [6, p. 218]. Loria shared that enthusiasm. What makes Loria of peculiar significance today is not merely the circumstance that he anticipated Turner's frontier thesis but even more his systematic social theory formulated in terms of an agrarian determinism.

II

Like Marx, Loria proceeded from the principle of dialetical continuity of thought conditioned and determined by the economic organization of society. For him the economic determination of human society is of primary importance because of the rôle of what he called "the economic factor." "We are now confronted by an economic problem; all the phases of our social life have assumed an economic aspect. But while there have been economic facts in all ages, the present is the first epoch to present an economic problem" [4, p. 11].

With this principle as a point of departure, Loria turned to a search for laws. "It has been my intention in this book to study the laws and the regular recurrences common to all the economic forms which have hitherto prevailed; to study, that is, the norms immanent in the economic order per se, independently of the different manifestations assumed by that

order in the successive phases of history" [2, "Preface"]. Going beyond the work of the Historical School, Loria sought to subsume the facts of every economic period under a master-formula: to outline a casual series in space without specific time-reference. This method, inevitably deductive in character, led him to the postulate of a supreme law which "controls all mental and vital phenomena" [4, p. 27]. It is "exemplified in Newton's binomial theorem": What Loria called "the law of the parabolic curve." "Newton's theorem is the sum of the several terms which progressively increase up to a maximum, and then begin to reach a minimum. The applications of this law are universal." This "law" of parabolic development—which is, it should be added parenthetically, of course nonsensical mathematically, as is, indeed, this particular discussion!—"controls the stellar, the geologic, the organic and the social world; the law of ceaseless transformation, of ceaseless motion" [4, p. 43]. Anticipating the contemporary concern with mass culture, Loria thought that the operation of this law would dissipate "all hatred of individuals because they are are not responsible for their mutual relations" [4, p. 137].

Loria's conception of social evolution hinges on an ecological statement of population and land. Unlike Marx who regarded technological development as the independent variable in social change, Loria found the pressure of population growth to be the social constant. Social evolution is easily explained, he thought, "provided we steadfastly hold in mind the simple premise that the ceaseless increase in population makes necessary the occupation and cultivation of lands ever less fertile, hence requiring more efficacious means of production to combat the increasing resistance of matter" [4, p. 128].

III

IN HIS THEORY of the origins of social forms, Loria leaned heavily on the anthropological approach. He assumed, in keeping with the Ciceronian tradition, a "primitive idyllic stage of society." For there is "no reason to doubt that such a condition of affairs actually did obtain." Primitive social organization, he thought, was characterized by two fundamental institutions, the matriarchate and exogamy. The former "made the woman the nucleus of the family as well as its governor." The latter "compelled her to take her mate from without her own tribe." As a consequence, the family group "was composed, on the one hand, of a number of women belonging to the same tribe, or the same matriarchal nucleus, and, on the other, of a number of men, their husbands, who were

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members of one or several matriarchal nuclei . . ." [1, pp. 87–9]. Two factors, however, operated to alter this condition: one, the increasing population which compelled primitive people to use the land more intensively; second, the diminishing fertility of the land thus used. At this point, the "isolated" form of production proved inadequate, and was replaced by "associated" labor which brought together people of different family groups and tribes. This new condition necessitated a new set of social patterns. The men, thus associated, became the chief producers and the nuclei of the family, compelling therewith the "absorption of the woman in the family of the man,"—the emergence of the patriarchal family system. Thereafter both the woman and the child came to depend upon the man, who thus acquired legal power over their lives.

Social forms are thus the logical products of economic needs, of the human perception of economic advantage. According to Loria, there was a period of isolated labor in early primitive society simply because individual producers had "no motive to associate their labor." Such association "would involve more or less limitation on their independence" [2, p. 8]. But the increase in population and the diminishing fertility of the fields created need for a new social form: production for exchange, or as Loria styled it, "the complex association of labor." However, such a mode of production supplied only the means of subsistence. Hence, there occurred the rise of a "simple association of labor." This was a social arrangement "in which the various workers or groups of workers contribute by means of diverse operations to the production of the desired object" [2, p. 20]. The motivation for this change was coercion, for men are repugnant to associated labor; their repugnance varies with the fertility of the soil.

The "coercive association of labor" yielded a "surplus product," income, which functioned as a sufficient motive for the owning class in its subjugation of the laborers and in the perpetuation of that authority through the social controls of the State and of religion. The continuation of this state of affairs depends upon the elite control of the "connective institutions" of morals and politics and on the closing of labor's access to free land. However, coercive association reaches a point of diminishing returns and by undermining the productive capacity of the laborers as well as by failing to meet the consumptive needs of society, it causes a reversion to a free land economy on a voluntary association basis [3, p. 48].

As Loria saw it, one single driving force gives unity to the social process: population pressure on the land. It is this force that leads to "the

coercive association of labor," that is, to "capitalistic property." In order to maintain itself, this pattern of economic organization must have "recourse to a series of . . . 'connective institutions,' whose special function it is to guarantee against all reaction on the part of those excluded from the possession of the soil" [1, p. 9]. Loria thought it not at all surprising that "the capitalistic economy, itself organically contradictory, has engendered a corresponding contradiction in the varied elements of social life" [1, p. 381]. Like the Marxists, he too anticipated a "final form" in which these contradictions would be erased, an economy "established upon equality and association," in which "social relations are self-adjustive and do not have to seek support in the perversions of the normal manifestiations of human nature . . ." [1, p. 381].

IV

LORIA MADE USE of a simple four-fold classification of historic socio-economic forms [1, p. 171]. First came a period of collective property, followed by a slave economy. Out of the latter grew a feudal or serf economy in which economic conditions "resumed their ancient consolidated character." This system was followed by the wage economy in which "the relations of mutual tolerance and indifference" replaced "the older community of interests between the citizens and the State."

Fundamental to the historic shifts from one form to another was the relationship of people to the land. Land, the keynote of Loria's whole theory, has given rise to two major types of economy, "free" and "capitalist." A free land economy, which, he thought, has existed both in primitive and in colonial situations, is characterized by neither profit nor interest. But in a capitalist land economy the laborers are compelled to work for a large producer for a smaller remuneration, thus creating a surplus called by Loria "profit" or "income." The disappearance of free land results in the accumulation of capital and in a reduction of wages (with consequent social conditions).

Viewing historic socio-economic forms from the standpoint of production, Loria utilized another classification. Thus, primitive economy was first characterized by "isolated" labor. But the increase in population, bringing pressure on the diminishingly fertile fields, produced "the complex association of labor." This social change may have been either spontaneous or coercive. It was succeeded by a social pattern which Loria called "the simple association of labor." This social reform arose from the social need of larger production. It may appear as a "homogeneous"

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association, in which the workers "all perform an identical task or a series of identical tasks" [2, p. 20]. It may appear as a "heterogeneous" association, in which the workers "contribute by means of diverse operations to the production of the desired object." This simple association of labor is always coercive in nature, and from it income or profit arises.

Upon the basis of income there is established a social superstructure which, according to Loria, may have three different forms: undifferentiated, differentiated, and mixed [2, p. 77]. The undifferentiated income form is based on the common ownership of the means of production by the laborers who receive both the subsistence product and the income. The differentiated income form is based upon the ownership of the means of production by non-laborers who receive the income, the laborers the subsistence. The mixed income form is characterized by widely varying types of ownership. The means of production may be exclusively owned by a part of the laborers, or partially owned by all of the laborers, or wholly owned by the non-laborers with a part of the income going to the laborers. In all cases Loria found "a partial actual separation of income from subsistence."

The forms of income are the products of differential degrees of the association of labor, "varying according as this association is complete, non-existent, or partial." The significant point, however, is that "each of these forms of income constitutes the nucleus of a different form of economy." Moreover, each type of economy "can perfectly combine with all the forms of industry"—craft, manufacture, or machinofacture.

The economy of undifferentiated income presupposes both the effective existence of free land and the liberty of the workers. There is coercion in this economy, or rather there is a "coercive collectivity." The latter assumes in the course of social evolution three essentially diverse forms: the communistic, the corporative, and the co-operative. The social institutions which it has developed include the patriarchal family, the clan, the community, the craft guilds. The authority of this economy often enforces restrictions on the laborers, such as suppression of access to the land, the complex association of labor, or even the simple association, in accordance with the prevailing social situation.

The economy of differentiated income is a complete antithesis of the former. Labor receives only a subsistence and is "categorically excluded from access to the land." Three socio-economic patterns may be characteristic of this economy: slavery, serfdom, and the wage system. In the slave economy access to the land is stopped by the artificial rise in the

value of the slave and by the artificial reduction in his *peculium;* between these two poles this particular type of differentiated economy has oscillated historically. However, with an increase in the number of slaves, their value becomes less than that of their accumulated *peculia,* with the result that society makes the transition from a slave to a serf economy. This transition is accomplished peacefully by simply making "the laborer inseparable from the land he cultivates." Thus, he cannot alienate himself, nor buy himself except with reference to the land. For example, in the American South and in the Roman Imperial period, the losses of the slave economy were shunted by transition to farm tenancy. The transition to the wage system is effected in a manner quite similar to the transition to serf economy and with a similar result: the laborer is in point of daily fact tied to the factory.

The economy of mixed income is highly variable in the different historic periods [1, pp. 115–7]. When the totality of the income is owned by one portion of the workers, such economic institutions as workshops are established. When a portion of the means of production is owned by a totality of the workers, there are developed such institutions as home industries, tenant farms, small holdings, and craft guilds. The essential aspect of the mixed income economy is that the workers participate in the income but not always in the ownership of production. Therefore, mixed income forms are able to exist simultaneously with those of differentiated incomes. Indeed, Loria conceived of the possible co-existence of all three forms. "These three forms of income can perfectly well co-exist within one and the same social state: but one . . . will necessarily occupy almost the whole of the economic field, restricting the rival form to a subordinate position; whilst the mixed form has an altogether secondary importance, and can exist only within the interstices of the two fundamental forms of income" [1, p. 110].

V

LORIA'S AGRARIAN DETERMINISM provided him with a systematic theory of the manner in which human relations are controlled in different types of society. His conception of the functioning of legal and political institutions will illustrate his thinking.

He rejected the older idea of law as springing from inspired minds in favor of the thesis that law is "an organic product of economic conditions . . ." [1, p. 327]. Law for Loria is a liaison between the economic constitution and the political system. It "proceeds from the economic con-

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stitution and changes as it changes." It does not originate in "conscience." Modern law, he held, "is only socially modern in its subordinate elements, in that portion, namely, which pertains to the relations between property and labor . . ." [1, p. 87]. He applied his general thesis to an analysis of certain institutions. Thus, he noted that upon the family law has exerted an enormous influence. "As soon as the idea of private property arose, the bond of relationships ceased to be represented by a community of sentiments and aspirations, and became embodied in the economic relation of hereditary succession" [1, p. 87]. The law of primogeniture, in consequence, is a direct result of private property shifting the lines of succession from the maternal to the paternal side. The laws of property arose out of the need of safeguarding production and its products in the slave economy. With the feudal economy and the coming of commodity production, property laws were designed to favor production. Thus, all those necessary phenomena of a free land economy—the sanctity of the oath, the personal basis of obligations—became openly coercive measures in a capitalist society. Anti-labor laws in the slave and serf economies were non-existent because only the proprietor was a legal personality. However, he pointed out, "capitalistic property is based on the exclusive appropriation of the soil, and accordingly has no motive in suppressing the legal personality of the laborer" [1, p. 104]. The main contrast between earlier and modern law Loria found to be due to the changed positions of capital and labor. In periods where labor is strong, due to free access to land, the law recognizes him as a personality; in periods where capital is strong, due to closure of access to land, only the proprietor is a legal personality.

Loria found in legal history confirmation for his belief that law is "the necessary outcome of economic conditions" and not "the product of abstract reason, or the result of national consciousness, or a racial characteristic" [1, p. 80]. In the same manner he affirmed the economic basis of political institutions. "All the efforts of political authority converge toward one supreme end: to guarantee and augment the income from capital" [1, p. 205].

The sovereignty of the State has been manipulated by the income-holding classes in three different ways, according to Loria. One method is the control of financial policies, preferably through taxation. "At every historical epoch the dominant class has loaded the subjugated class with the whole or a larger portion of the burden of taxation" [1, p. 207]. Initially, the tax burden rested on landed property; but with the advent

of industrial and commercial capital, it was shifted to the bourgeoisie. The latter, in spite of their historic principle of proportionality, have also shifted the tax burden—to the workers—a shift typified in the assessment of wages through taxes on articles of personal necessity. A second method of utilizing political authority is the control of "domestic politics," to be commented on in the following paragraphs. A third method is the control of foreign policy, for militarism in more than one way satiates the interests and wishes of the propertied classes, especially those of the landed nobility.

Governmental forms have a direct relation to economic interests, according to Loria. "Different kinds of revenues give rise to different political systems" [1, p. 136]. In the slave economy, political sovereignty was significant only to the proprietors as a means of guaranteeing their income; "collective or class soverignty" was amply sufficient. Under serfdom, political authority was transferred from a collectivity to the individual proprietor. Under the wage economy, political authority was again centered in a collectivity, the Nation-State. Control of the Nation-State is sought by two different types of income-recipients, those receiving rents and those receiving profits, the Conservatists and the Progressivists. "It is this fundamental division between the two branches of capitalistic revenues that is the cause of the perpetual conflicts between the Conservatists and the Progressivists" [1, p. 164]. In this struggle the "unproductive laborers"—the intellectuals—have acquired prominence. Having a share in property or in its income, they find it to be their agreeable task to facilitate this struggle as representatives of the interests of one revenue group as against another. Loria interpreted modern social politics in terms of the struggles between these two major revenue-holders.

VI

LORIA'S THEORY of social control decidedly colored his conceptions of social reform and revolution. He regarded the State as "the political expression of the economically dominant class" [1, p. 343]. He found it absurd to believe that "the State is capable of profoundly modifying existing economic conditions." Social legislation "really contains nothing contradictory to the capitalistic structure of the State." Reform measures are in the nature of compromises between revenue groups, and they ordinarily come in periods of economic expansion [4, p. 152; 1, p. 181].

This philosophy of the State conditioned Loria's theory of land reform. He was critical of programs demanding that the economic rent be apro-

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priated by the State. He thought it impossible for the State to absorb all the rent. It is not easy to distinguish between rent and profits of capital sunk in the soil, nor to determine the increases in rent. When land is sold, the rent is capitalized and accrues to the benefit of the seller. He disapproved of the nationalization of the soil, for the State would then be obliged to lease the land to its citizens; this would still mean rent. His own program of land reform lay in the field of spontaneity and individuality, for he looked for hope to a natural process, "the natural elision of land rent," through a system of small farms cultivated cooperatively, a system of associated ownership.

According to Loria, there are two bases for "the overthrow of the existing political power" [1, p. 289]. One is the failure of the authorities to respond to the demands of the proprietors; the other is change in the economic structure. The latter may occur in two different ways: a change in the different kinds of revenue and a change in the organic structure of the property system. This theory of social revolution led him to believe that a labor revolution will follow upon the increasing assumption of democratic power by workers and the re-distribution of income. "Political democracy will be established as the natural and necessary result of economic democracy" [1, p. 325]. This end, he thought, will be hastened by the intervention of two powerful factors: the sudden energy to be imparted to social activity by the intervention of organized and informed workers; the "frightful degeneration" of the bourgeoisie. A minor factor, he thought, will be the break-up in the traditional alliance between the "revenue-holders" and the "unproductive laborers." This economy based on mixed income will, he thought, bring the historic cycle of social transformations to a close.

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The Civic Revival in Ohio

The Street Railway Controversy in Cleveland

By Robert H. Bremner

In previous studies we have been concerned with the personalities of the leaders of the Civic Revival in Ohio and with the ideas which animated the movement. Interesting and important as was the dream of a city on a hill, the real import of the movement lies in its contribution of a practical example of a fight against privilege. The object of the present series of papers is to illustrate how this fight was carried on. Examples are given of how Johnson, Jones, and Whitlock applied their theories of privilege, taxation, and municipal ownership in their respective cities. The achievement of home rule and the initiative and referendum in the constitutional amendments of 1912 are traced. Finally, we show first how privilege fought the Civic Revival, and then the political techniques used by the leaders of the movement to waken the people to the fight against privilege.

I

In both Cleveland and Toledo the street railway question was the vigorous and practical issue around which the fight against privilege centered. The Civic Revival began in both cities as a people's attempt to prevent local street railway companies from obtaining franchise extensions from supposedly corrupt councils. Popular antagonism toward the transportation and other public service companies was the backbone of the Civic Revivalists' political support. In many respects this hostility was a chauvinistic attitude, often exploited by politicians.[1] Usually the privileged interests of the city could count on it expressing itself in fitful reform waves which did no more damage than to force the temporary retirement to private life of some councilmen known to be friendly to the utility companies. Johnson, Jones, and Whitlock appealed to this sentiment but because their opposition to the street car companies was grounded in philosophy rather than prejudice, and because they were able to make the concept of privilege real to the people, they were able to crystallize an unorganized popular resentment into a coherent civic

[1] This is the opinion of Brand Whitlock, "Forty Years of It" (New York, 1914), p. 330.

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policy which their cities followed for almost a decade. The tangible results of the street car controversy in lowered fares were considerable. Less measureable but even more interesting to speculate about was the impetus the debate on the question gave to the doctrine of social values. Fighting the street car companies was an education in democratic action for the people of both Cleveland and Toledo, and while this war against privilege went on there was noticeable in the two cities a civic enthusiasm which unfortunately is not consistently found in American political life either on the national or municipal level.

The problem of the terms upon which cities should renew street railway franchises was one faced by many communities in the early years of the twentieth century, for grants awarded about twenty-five years before were then beginning to expire. Johnson's street railway experience, his energy and resourcefulness, and his strong single tax convictions made him recognized as the outstanding figure in the movement to bring private street car companies under closer supervision of the municipalities in which they operated. "You are going to settle our street railway problems for all of us," Brand Whitlock wrote him.[2] It was realized by his friends and opponents alike that Johnson's fight with the street railway companies of Cleveland involved something more than three-cent fares, something larger than the traction problems. The real issue at stake was the private control of public utilities. If Johnson was victorious in his struggle to bring the street railways of Cleveland under public control, the electric light and gas and telephone companies would be similarly attacked. If Cleveland were successful in controlling these utilities, other cities would follow her example. And if Johnson and Cleveland were defeated, the cause of municipal control of public utilities would be discredited in in other cities.

II

AT THE TIME of Johnson's first election to the mayoralty (1901) there were two street railway companies in Cleveland, one controlled by Mark Hanna and the other by Horace Andrews. The two companies consolidated to form the "Concon" in 1903 but even before that date they had acted as a unit in opposing the city's attempt to obtain lower fares. The size of Johnson's majority in his first election was attributed by one of his supporters to the voters' disapproval of the generosity which the administration of his predecessor had displayed in distributing franchise

[2] Letter to Johnson, Nov. 19, 1907, Allan Nevins, ed., "Letters of Brand Whitlock" (2 vols., New York, 1936), vol, 1, p. 84.

grants to public utility companies.[3] Shortly before the election the Council had given the gas company a ten year renewal of its franchise. Only intense public indignation, culminating in stormy "petitions in boots" to the council chamber had prevented it from renewing the franchises of one of the street car companies.[4]

Johnson's campaign slogan in his first election was "Three-cent Fares and Universal Transfers." In the winter of 1901 he had offered (for political effect, said his opponents) to operate the street railways of Columbus on these terms.[5] Certainly he was not blind to the political appeal of such a platform, but the three-cent fare was more than a slogan to Johnson. He thought it was a reasonable rate of fare for any company whose stock was not watered. To him the difference between the profits derived from the five-cent fare then being charged and the profit which a well-operated company could make at the three-cent fare approximated the franchise (*i.e. publicly created*) value of the company. Johnson always insisted that he was not fighting private property, but rather fighting to help the public regain public property which had been appropriated by private individuals. He wanted the sacredness of public property to be as firmly recognized as the inviolability of private property.

Johnson himself admitted that one of his strongest reasons for favoring a three-cent fare was simply that it was two cents closer to nothing. He believed municipal ownership was the only permanent solution to the street railway question and as we have already seen, he looked forward to the day when cities would provide transportation service free, meeting the cost of providing it from taxation. Such a program was not immediately possible, however, because ownership of street railways was one of the activities in which the state had forbidden Ohio cities to engage. Even had state laws permitted municipal ownership Johnson would not have wished the city to buy the Cleveland street railroads until the fictitious value had been taken out of their valuations. Like Henry Demarest

[3] Edward W. Bemis, "The Franchise Situation in Cleveland," *Municipal Affairs*, vol. VI, pp. 261–7 (June 1902). Bemis was a former college professor whose academic career was cut short because his liberal political and economic views did not suit the prevailing intellectual climate of either Chicago University or Kansas State Agricultural College. A well-known advocate of municipal ownership, he served as Superintendent of the Cleveland Water Works under Johnson. After Johnson's defeat in 1909 he accepted a similar position in New York City. He was also recognized as a leading expert on the valuation of street railway properties.

[4] For a description of this demonstration see Frederic C. Howe, "Confessions of a Reformer" (New York, 1925), pp 85–7.

[5] See E. W. Bemis, "The Columbus Attempt to Secure Three-cent Fares," Annals of the *American Academy of Political and Social Science*, vol. XVIII, pp. 479–85 (Nov., 1901).

UNIVERSITY OF MICHIGAN LIBRARIES

Lloyd, he knew that the acquisition of public utilities at inflated values only made the city the slave of the bondholder.

If municipal ownership was impossible by law, Johnson felt the regulation of street railroads or other utilities by either state or city commissions was impossible in fact. The simple and obvious remedy of regulating fares through ordinances of the Council had been denied the city by the courts.[6] Unable to get the old companies to accept lower fares voluntarily, and perhaps feeling from the beginning an attitude he was reported to have expressed in 1909, namely that the old companies would never make any concession until fear drove them to it,[7] Johnson believed that only through the introduction of a competing street car company could the Cleveland traction companies be brought to terms. As he was well aware, this was a difficult and dangerous undertaking, but neither he nor his associates knew what a laborious job it would be. Two and one-half years would be required to get a valid franchise awarded to a low-fare company. After the granting of the franchise four more years would pass before the first low-fare car would reach the Public Square. Johnson's superlative handling of the obstacles put in the way of the low-fare movement is what makes him rank as one of the important practical statesmen of this century.

III

THREE IMMEDIATE DIFFICULITIES were encountered by Johnson in his attempt to get a competing street car line established. One had to do with financing the road, another with obtaining reliable men to operate it, and the third was imposed by the provisions of Ohio's existing franchise laws. Obtaining the funds to build the road was a serious problem because of the hostility to the project felt by Cleveland capitalists. In the course of the struggle extremely valuable financial aid was given the low-fare movement by friends of the Mayor, like former Congressman Ben T. Cable and August Lewis, neither of whom was a Clevelander. In order to guard against the possibility that the operators of the low-fare company might sell out to the old companies,[8] Johnson felt compelled to rely upon men whose integrity had been demonstrated to him in previous business

[6] An ordinance setting the fare at four cents was declared invalid by the United States Supreme Court, City of Cleveland *v.* Cleveland City Railway Company, 194 U. S. 517 and Cleveland *v.* Cleveland Electric Railway Company, 194 U. S. 538.

[7] Johnson is quoted to this effect in Warren S. Hayden, "The Street Railway Situation in Cleveland," *Proceedings* . . . of the National Municipal League (1909), p. 407.

[8] While connected with the Detriot street railways Johnson had purchased the three-cent fare lines promoted by Hazen S. Pingree as a competitor to Johnson's company. "My Story," (New York, 1911), p. 94.

relations. From his point of view this was a necessary expedient; but men who were disposed to distrust Johnson interpreted the activity of his friends and former business associates in the low-fare companies as evidence of Johnson's own financial interest in the new companies.[9]

The Ohio laws governing the issuing of franchises were so drawn as to make it easy for companies already enjoying franchises to secure extensions or renewals, but exceedingly difficult for new and competing companies to enter a city.[10] Johnson believed their aim and their effect was to protect existing companies in the enjoyment of their privileges. Before a new company could be granted a franchise its proposed route had to be approved by the Council; then the route had to be bid upon and awarded to the lowest bidder. After the acceptance of the bid, no franchise could be given to a new company until a majority of the property owners along its route had given (or sold) their written consent to the construction of the line. On the other hand, existing companies which desired to extend their lines into new territory were allowed to do so without competitive bidding, and no property owners' consents were necessary for the renewal of an expiring grant.[11]

The first Cleveland three-cent fare franchise was granted to John B. Hoefgen on March 17, 1902. The city took the initiative not only in designating the route of the new line, but also in drafting the conditions of the franchise. The ordinance calling for the establishment of a new street car system had been introduced in Council by Frederic C. Howe early in December 1901.[12] Hoefgen, a former associate of Johnson in his Indianapolis and Brooklyn street railway activities, was the only bidder on the route. The city's acceptance of his bid precipitated a bitter struggle for consents. The two old companies paid property owners to refuse to give consents; Hoefgen's company paid property owners for consents. The City Council helped the new company by giving one name to a thoroughfare, parts of which had previously been known by four different street names. The low-fare company had had a majority of consents

[9] Johnson's alleged financial interest in the competing companies is the subject of an article by Harry A. Garfield, "Private Rights in Street Railways," *The Outlook*, vol. LXXXV, pp. 256–8 (Feb. 2, 1907). This point is touched upon more circumspectly by Hayden, "The Street Railway Situation in Cleveland," *loc. cit.*, p. 403.

[10] Johnson's rivalry with Mark Hanna as a private street railway operator had impressed this fact upon him. See "My Story," *op. cit.*, p. 18.

[11] The difficulties imposed by the consent laws are discussed by Johnson, "Three-cent Fares in Cleveland," *The Independent*, vol. LXIII, pp. 335–7 (Aug. 8, 1907). For the changes in the consent laws made by the Schmidt bill of 1908 see Bemis, "The Street Railway Settlement in Cleveland," *The Quarterly Journal of Economics*, vol. XXII (Aug. 1908), pp. 556–7.

[12] See *Cleveland Plain Dealer*, Dec. 10, 1903.

UNIVERSITY OF MICHIGAN LIBRARIES

on two portions of the road, but had been unable to get the necessary number on the other two parts. Throwing the four streets into one gave them a majority on the whole thoroughfare.[13] The franchise then awarded to Hoefgen provided for three-cent fares, supervision of service by the city, reservation to the city of the right to purchase the line after municipal ownership was legalized, and the sharing with the city of one-half of all net profits over eight per cent after ten years of operation.[14]

Work on the construction of the Hoefgen line was interrupted by an injunction about three weeks after the franchise had been granted. On June 21, 1902 the Eighth District Circuit Court of Ohio declared the Hoefgen grant invalid on the grounds that the franchise issued to the company covered only a portion of the route advertised for bids. A further objection was that the ordinance underlying the franchise imposed certain improper restrictions on the grantee, such as one regulating the settlement of disputes between the company and its employees. Both of these irregularities were thought by the Court to have acted as possible deterrents to other bidders.[15] In other words, the Hoefgen grant was illegal because some one might have wished to enter a bid promising a rate of fare even lower than three cents.

Immediately after the invalidation of this franchise the Cleveland Council passed ordinances preparatory to granting new low fare franchises which were so drawn as to meet the Court's legal—if not practical—objections to the first three-cent fare grant. Just six days after the Circuit Court's decision in the Hoefgen case, however, the Ohio Supreme Court pronounced the charter of Cleveland (and inferentially that of practically every other city in the state) unconstitutional on the grounds that it violated the prohibition of special legislation found in the Ohio Constitution.[16] Ten days before the date set for receiving bids on the new low fare route the Supreme Court enjoined the Cleveland Council from considering the granting of any franchises. Not until eleven months later, after the passage of the new municipal code, and after Johnson's re-election in the spring of 1903, were bids again opened for a three-cent fare street car line in Cleveland.

[13] See Bemis, "Franchise Situation in Cleveland," *loc. cit.*, p. 263 and Johnson, "My Story," 161–2.

[14] For the provisions of the Hoefgen grant see Bemis, "Franchise Situation in Cleveland," *loc. cit.*, p. 262.

[15] William M. Raynolds *v.* Cleveland *et al.*, pp. 14–29 Ohio Circuit Courts 215.

[16] The State of Ohio *ex rel* the Attorney General *v.* Beacom *et al*, vol. 66 Ohio State p. 491. In the text this case will hereafter be referred to as "the Cleveland Charter case."

The Cleveland charter case had been instituted by Attorney-General John B. Sheets on December 8, 1901, two days after the introduction of Howe's original low fare ordinance. The decision in the case was based upon another decision rendered on the same day. In the latter case the act removing the Toledo police force from Jones' control was also held to contravene the constitutional prohibition of special legislation.[17]

In these two cases the Court refused to follow the precedents it had established in a long line of decisions in which more or less obvious infractions of the rule against special legislation had been winked at. Whitlock, who was one of Jones' attorneys in the Toledo police ripper case felt the decision represented victory for home rule, nevertheless he admitted that Mark Hanna's influence was perhaps more directly responsible for making up the judges' minds than were the arguments of Mayor Jones' counsel. Most students of political science agreed that in ending the municipal classification system the Court had rectified a long-standing legal error.[18] Some critics, however, pointed out that the Supreme Court had shown little disposition to correct the error until it was to the benefit of privileged and partisan interests to do so.[19] In the course of the mayoralty campaign of 1905 Johnson said that he was "inclined to agree" that the Court had been correct in finding the Cleveland Charter unconstitutional. But the thing that made him suspect that the Court had lent a hand to the destruction of the whole system of municipal government in Ohio for the primary purpose of destroying the low fare movement in Cleveland was that Cleveland, alone of all the cities in the state, was enjoined by the Court from granting any franchises until the new municipal code had been put into effect.[20] Ohio courts had not usually been so protective in their attitude toward a city's disposal of privileges.

IV

THE CITY GOVERNMENT organized according to the terms of the new municipal code went into operation on May 4, 1903. On the same day the fight for low fares was resumed with the introduction into Council of eleven low fare ordinances. The plan Johnson now followed was the same as that agreed upon a year before when the city had passed street railway ordinances designed to correct the defects in the Hoefgen grant:

[17] The State of Ohio *ex rel* Knisely *et al. v.* Jones *et al.*, vol. 66 Ohio State p. 453 ("The Toledo police ripper case").

[18] For the legal aspects of the case see John A. Fairlie, "The Municipal Crisis in Ohio," *Michigan Law Review*, vol. I, pp. 352–63 (Feb. 1903).

[19] Milo Roy Maltbie, "Home Rule in Ohio," *Municipal Affairs*, vol. VI, pp. 242–3 (June 1902).

[20] *Johnson-Boyd Debates, 1905*, First Debate, p. B4.

UNIVERSITY OF MICHIGAN LIBRARIES

instead of submitting a whole long route to prospective bidders the route was divided into segments with the understanding that first one small section was to be awarded to the low fare line, and that it would then acquire the rest of the route as an extension of its original franchise. On September 9, 1903 a franchise to operate a three-cent fare street car line on Dennison Avenue was awarded to Albert R. Green. This Dennison Avenue line was the base line of the Forest City Railway Company, the most important of the three-cent lines. As the franchises of the old company (the Hanna and Andrews street car lines had combined in the summer of 1903) expired they were awarded to the Forest City Company. Fear that one by one all of its franchises would be acquired by the competing company was what eventually brought the Cleveland Electric Railway Company (the Concon) to make a settlement with the city.

That settlement was still far in the future in 1903, however. The legality of the Green franchise was first challenged in the courts on November 12, 1903. This was five weeks after it had been granted and after a mile of track had been laid on Dennison Avenue. Accompanying this suit were a flurry of temporary injunctions blocking work on the road until it was decided that the conduct of the plaintiff, in waiting to bring his suit until after Green had expended much money on the new line, created an estoppel.[21]

In this case political expediency aided the low fare movement. Johnson was convinced that but for the approaching state election there would not have been the five weeks delay in bringing the suit to set aside the Green franchise. "Government by injunction" had been made an issue of the campaign by Johnson who was running for governor. Realizing the unpopularity of the injunction, and unwilling to prejudice Republican chances in what was to him a crucial election (for the legislature chosen in November 1903 was one which would, or would not, return him to the Senate), Senator Hanna had had the legal action postponed until after the election. At one point in his career Hanna had said that when politics interfered with business, he would give up politics. Now, with growing political ambitions and weighty party responsibilities, he reversed his old policy and sacrificed his business interests to his political desires. "The city's real success in creating a line from which extensions could be made was due to the fact that Senator Hanna sacrificed his street railway interests to political necessity."[22]

[21] Johnson, "My Story," p. 188. The case is reported in the *Cleveland Plain Dealer*, Nov. 13 and 17, 1903.

[22] Johnson, "My Story," p. 189.

Financing the Forest City Company remained a difficult problem because of the continued hostility of established financial interests toward the venture. The effect of this antagonism extended beyond the offices of brokers and bankers. John B. Hoefgen, grantee of the first three-cent fare franchise, found that his relation to the Cleveland low fare movement made it hard for him to obtain equipment for his street railway holdings in other cities.[23] Constant litigation, which included a contempt of court action against the mayor,[24] as well as the granting of fifty-eight injunctions in less than seven years, frightened away many prospective investors. In 1906 the people of Cleveland were summoned to the aid of the low fare movement. Johnson and E. W. Scripps joined in guaranteeing (through the medium of the *Press*, a Scripps-McRae newspaper) the payment of six per cent dividends on Forest City stock. As a result of this guarantee over one million dollars was subscribed to the company by small investors.[25] One judge, however, construed the guarantee as a financial interest on Johnson's part in the success of the low fare movement. Until the decision was overruled the guarantee served as an excuse to prevent the Forest City Company from using municipally owned tracks in the middle of the city.

In spite of all these difficulties and delays the low fare line made progress. The first "threefer" car was run on November 1, 1906. Johnson acted as motorman and the new yellow car made its way down Dennison Avenue through crowds of waving and cheering people and past houses decorated as if for a holiday.[26] Ten weeks later, after having almost literally traversed a maze of injunctions, the first three-cent car reached the Public Square.[27] A few days previously the low fare movement had won its greatest legal victory. This was the United States Supreme Court's decision upholding the city's contention that the Concon's franchises on Central and Quincy Avenues had expired in 1905. The Court refused to set aside the grant the city had made to the Forest City Company to operate on these streets.[28]

The success of the "threefer" line, the threat that all of its franchises

[23] E. W. Bemis, "Street Railway Settlement in Cleveland," *loc. cit.*, p. 547.

[24] This occurred in the summer of 1906. See "A Striking Case of Corporation Contempt of the People . . .," *The Arena*, vol. XXXVI, pp. 416–8 (Oct. 1906).

[25] Bemis, *op. cit.*, pp. 547–8.

[26] There is a colorful description of the trip of the first three-cent car in the *Cleveland Plain Dealer*, Nov. 2, 1906.

[27] See Johnson, "My Story," pp. 240–1 for an account of the picturesque expedients of "jumping the viaduct" and the laying of temporary tracks on Superior Avenue.

[28] Cleveland Electric Railway Company *v.* Cleveland and the Forest City Railway Company, vol. 204 U. S. p. 116.

UNIVERSITY OF MICHIGAN LIBRARIES

would go the way of the Central and Quincy Avenue ones, and finally Johnson's defeat of Theodore Burton in the mayoralty election in November, 1907 at last made the old company ready to consider a settlement of its differences with the city. Elbert H. Baker, general manager of the *Cleveland Plain Dealer,* secured acceptance of a plan for the mediation of the controversy between two men, one representing the city and the other the Concon. Johnson was the city's representative in the negotiations and the railway company named Frederic H. Goff, a well-known attorney and banker as its representative. The fact that these two men had wide authority to work out its details made the settlement easier to obtain. But the real reason for the success of the negotiations was that by 1908, having overcome all kinds of legal, financial, and political obstacles, Johnson's policy of competition had proved a success. "Fear of something worse happening to them if they didn't" was what made the men who controlled the old company come to terms with the city in 1908.

V

JOHNSON MADE an important contribution to the solution of the problem of how the people of a city can control a public utility when municipal ownership of the utility is legally forbidden and regulation of the rates and service of the utility by a commission is held to be practically impossible. For our purpose, the most important thing about the negotiations between Johnson and Goff was the understanding at the outset that if the physical and franchise values of the Cleveland Electric Railway could be satisfactorily determined, then all the company's properties were to be leased to a new company which was to operate all the street railways of the city. This new company was to pay the stockholders of street railway companies a certain percentage of interest on the agreed valuation of the system.

The lease plan was first suggested to the Concon as a basis for settlement in 1905 but was rejected. It was first applied in Cleveland in June 1906 when the properties of the Forest City Railway Company were leased to the Municipal Traction Company, a corporation whose entire stock of ten thousand dollars was owned by its six directors. The directors were salaried and self-perpetuating but had no financial interest in the railway company whose property they leased. The Municipal Traction Company constructed and operated low fare lines with money raised through the sale of Forest City stock. On this stock the lessor paid dividends of six per cent. The directors of the Traction Company were pledged to use any surplus for extensions and improvements in the street

railway system. Under the terms of the Johnson-Goff settlement the Municipal Traction Company was designated to assume the operation of all the street railways of Cleveland.[29]

The chief issue which had to be threshed out between Johnson and Goff in the one hundred meetings they held between December 4, 1907 and April 27, 1908 was the valuation of the Cleveland Electric Railway Company.[30] Determination of this figure was recognized as a tremendously important point by both the city and the company. The value of the Concon was the chief item in the valuation of the whole Cleveland street railway system, *i.e.* the figure on which the Municipal Traction Company was to pay a six per cent dividend. It was also by far the largest item in the amount upon which would be computed the price the city would have to pay for the system if municipal ownership of street railways were ever authorized by the state. Johnson's estimate of the value of the Concon (including physical value, value of unexpired franchises, and good will) was about twenty-one million dollars. In terms of Cleveland Electric Railway stock, this represented a valuation of fifty dollars a share. Goff named a sum which would have established sixty-five dollars as the value of the stock. The compromise figure eventually agreed upon was slightly above twenty-two million dollars, or fifty-five dollars per share.[31] The valuation of the Forest City Company and of another low fare company then operating in the city was set at about one million eight hundred thousand dollars, making the total value of the combined street railway systems approximately twenty-four million dollars.

The transactions necessary for putting the Johnson-Goff settlement into effect were performed on April 27, 1908. A new company owning all the street railways of Cleveland was formed. This new company, known as the Cleveland Railway Company, was a consolidation of the old Concon and the two low fare companies. In the organization of the new company fifty-five dollars worth of Cleveland Railway Company stock was substituted for one hundred dollars worth of Concon stock, while the securities of the low fare companies were exchanged for stock in the new company at par value. Next the franchises of the Concon were surrendered

[29] Johnson explains the relation between the Municipal Traction Company and the Forest City Railway Company in "My Story," p. 224.

[30] Reports and exhibits of evidence filed with the negotiators fill nine large volumes. The most intelligible summary of the proceedings is Bemis, "Street Railway Settlement in Cleveland," *loc. cit.*

[31] In 1905 Johnson would have agreed to a valuation of eighty-five dollars on Concon stock. In the Spring of 1907 he proposed a value of sixty dollars per share. When Cleveland bought the street railway system in the Spring of 1942 the price was forty-five dollars a share.

UNIVERSITY OF MICHIGAN LIBRARIES

to the city and a new franchise (the security grant) was issued to the Cleveland Railway Company. Finally the properties of the Cleveland Railway Company were leased to the Municipal Traction Company, which was now to operate all the street car lines of the city under the same terms as it had formerly operated the cars of the Forest City Company. It was understood that the Municipal Traction Company was to charge three cent fares and that the security grant would go into effect only in case the lessor failed to meet the agreed interest payments. The provisions of the security grant, while protecting the city's interests in all essential points were purposely made generous to the grantee so that the franchise would in fact be good security on which the holding company could raise money through the sale of Cleveland Railway Company stock.[32]

On April 28, 1908 all street cars in Cleveland were run free. Plans were made for the annual celebration of "Municipal Day" to commemorate the people's first victory in their fight against privilege. Johnson, while regarding this as anything but a final victory, was yet sure that it represented a long step forward. At a dinner the night before he had given his interpretation of the aims of the Cleveland movement:

> We are trying . . . to set an example that others may follow in self-government, in some plan by which people living in great congested centres can govern themselves in the way that the greatest happiness will come to them. This is our big object.[33]

VI

THE CIVIC REVIVALISTS looked upon the Johnson-Goff settlement as a people's victory because the holding company plan removed the public utility which affected the lives of city-dwellers in the most intimate way from the control of those whose primary interest in it was profit and put it in the hands of men who, as unofficial public trustees, had for their chief interest the improvement of service and the lowering of fares. It was not regarded as an ideal solution for it still allowed private individuals to make a profit out of the social necessity of transportation, but it did limit private profit to a reasonable amount. Some supporters of the holding company plan objected that the valuation assigned the Concon in the settlement was too high.[34] The success of the plan necessarily rested

[32] The security grant reserved to the city the right to purchase and provided for regulation of service by the city. It allowed the company to charge five cent cash fares and to issue six tickets for twenty-five cents.

[33] Johnson's speech is printed in the *Cleveland Plain Dealer*, April 28, 1908.

[34] For Peter Witt's objection to the valuation see Carl Lorenz, "Tom L. Johnson" (New York, 1911), pp. 164–5. Bemis thought if the city had waited another year or two it could have secured a much lower valuation, "Street Railway Settlement in Cleveland," *loc. cit.*, p. 557.

upon the good faith of the self-perpetuating board of directors of the holding company. The directors were not legally responsible to the city; they could not legally be compelled to carry out their promise to use possible surpluses for extensions and improvements (rather than for dividends to the director—stockholders of the holding company); there was no legal way in which the city could force them to charge rates lower than those set out in the security grant. The only guarantees that they would not abuse their powers were the characters of the directors and the publicity under which they would be required to operate the street car lines. The directors were all men known to be friendly to Johnson—a sufficient reason for distrusting them, according to some Clevelanders.[35] The events of the next few months were to demonstrate, however, that it was not the directors of the holding company who broke faith with the public. Those who sympathized with the aims of the Civic Revival agreed that the lease plan, devised and put into operation by Johnson, was the most workable means by which the public could get the substance of municipal control until home rule achieved, municipal ownership was possible.

VII

As it turned out, the victory was not yet won. Even before the lease went into effect the business depression of 1907 had caused a decline in the number of street railway passengers. In order to meet the interest charges on the twenty-four million dollar valuation and at the same time operate the cars on three-cent fares, the directors of the municipal traction company felt required to inaugurate some economies in the service. Fares to suburbs like East Cleveland were left at five cents and until August 1, 1908 there was a one-cent charge for transfers. Service on some unprofitable lines was greatly curtailed, and in a very few cases, was discontinued altogether. Schedules were revised so that fewer cars were run during the slack hours of the day and more during the rush hours. Some routes were altered slightly and places of stopping were changed. These service changes provoked wide criticism, bearing out, so Johnson thought, the truth of his theory that the people would demand better service from a public company than from a private one. He believed that most of the criticism was caused simply by the novelty of the changes. However, he admitted that some service economies had caused inconveniences to car riders.[36]

[35] Among the original directors were A. B. DuPont, Frederic C. Howe and C. W. Stage. Later Johnson was made Treasurer of the company and Newton D. Baker and Ben T. Cable were added to the Board of Directors.

[36] "My Story," p. 283.

UNIVERSITY OF MICHIGAN LIBRARIES

The Municipal Traction Company's operation of the street cars was complicated by the mechanical difficulty of making change for three-cent fares. This should have been only a temporary and minor annoyance. Johnson set out to remedy it by perfecting a new type of fare box. The change problem was made important by the failure of some disgruntled conductors, former employees of the Concon, to collect fares and by the systematic refusal of some opponents of the Municipal Traction Company to pay fares. Crowds of men would get on the cars together and press past the conductor, who was unable, and in some cases unwilling, to make them pay their fares. A more subtle way of embarrassing the company was practiced by men who deliberately exhausted the conductor's change by presenting large bills in payment of fare. In Johnson's words, "It wasn't men with dinner-pails who offered five-dollar bills in payment of three-cent fares . . ." but rather "some of the people who were pledged to carry out the agreement which Mr. Goff had made in their behalf."[37]

The most direct obstacle thrown in the path of the holding company's attempt to operate the system successfully came on May 16 when, just as arbitration machinery was beginning to function, three-fourths of the company's employees went on strike. These were the seventeen-hundred motormen and conductors who had formerly been employed by Concon. Late in 1906 the Concon entered into a closed shop agreement with local 268 of the Amalgamated Association of Street and Electrical Railway Employees. The contract provided for a wage rate of twenty-four cents an hour but promised a two-cent an hour increase if the company obtained a new franchise. The Concon had previously opposed unionization of its employees, and friends of Johnson interpreted the conditional promise of a wage increase to mean "if Tom Johnson is defeated for re-election in 1907 and an administration friendly to the company is put into City Hall." Earlier in 1906 the Municipal Traction Company, then operating the Forest City line, had entered into a twenty-five cents an hour agreement with local 445 of the street railway union. After the holding company leased the property of the Cleveland Railway Company, the wages of former Concon employees were raised to twenty-five cents an hour, but the men insisted that the Company carry out the Concon promise in regard to a two-cents an hour increase. The question of whether or not this agreement was binding on the Traction Company was the ostensible cause of the strike. However, the issue between the holding company and the old Concon employees had been further complicated by a jurisdictional

[37] *Ibid.*, pp. 281–2.

dispute between locals 445 and 268 and by the firing of fifty conductors charged with deliberate failure to collect fares.

Especially in its first few days the strike was accompanied by violence. Dynamite was placed on some tracks either by the strikers or by their sympathizers; cars were stoned; and power lines were cut. Johnson suppressed the strike with what Whitlock called "a rather ruthless hand."[38] Service was maintained throughout the strike by the employment of new men. After the first day or so the police were able to prevent any serious violence and within ten days cars were running as usual. At the time of the strike there was a general feeling in Cleveland that men like John Stanley, who had been prominent in the old Concon, were encouraging the strike.[39] It is at least worth noting that newspapers and organizations not ordinarily conspicuous for their friendliness to labor were in this case not unsympathetic to the strikers.[40]

Although the strike itself was broken, the bad feeling intensified by it was chiefly responsible for nullifying the Johnson-Goff plan of settling the Cleveland street railway controversy. After car operation had returned to normal the men hired to run the cars during the strike were permitted to retain their positions if they wished to do so. As vacancies occurred the strikers were invited to return to their old jobs at twenty-five cents an hour. About one thousand of the latter refused to return to work unless their seniority rights were restored and all the new (*i.e.* strike-breaking) employees were discharged. It was these strikers, presumably getting financial assistance from some source hostile to the Municipal Traction Company, who took advantage of an act recently passed by the Ohio legislature and circulated petitions calling for a referendum on the security grant issued to the Cleveland Railway Company as one of the corner-stones of the Johnson-Goff settlement. The act they invoked was one introduced in the Senate by Thomas P. Schmidt, a friend and supporter of Johnson. Originally it had called for changes in the Ohio consent laws, but it had been amended so as to authorize referendums on street railway franchises when petitioned for by fifteen per cent of the voters.[41] The strikers were successful in obtaining enough signatures to their petitions and the security grant was submitted to a referendum at a

[38] Letter to William Allen White, January 16, 1909, Nevins, ed., "Letters," *op. cit.*, p. 103.

[39] For Stanley's purported rôle see Lorenz, "Johnson," *op. cit.*, p. 171.

[40] For example, see an editorial in *The Cleveland Leader*, May 17, 1908. The best description of the strike is in *The Public*, May 15, 22, 29 and June 5, 1908.

[41] For the interesting legislative history of this measure see Whitlock's letter to William Allen White, January 16, 1909, *loc. cit.*, p. 102.

UNIVERSITY OF MICHIGAN LIBRARIES

special election held on October 22, 1908. The franchise was rejected by the people by a majority of less than one per cent of the number of votes cast.

Various writers have presented different explanations for the defeat of the security grant. Usually the reasons assigned by each writer bear a close relationship to his attitude toward the holding company plan. Two writers hostile to Johnson emphasize discontent with the street car service provided by the holding company and distrust of the directors caused by alleged irregularities in the company's handling of its funds as reasons for the defeat of the franchise.[42] The writer believes the explanations offered by two friends of Johnson, Brand Whitlock and E. W. Bemis, are closer to the truth.[43] This is not because either of them was necessarily more objective in his viewpoint than Johnson's detractors, but because their understanding of his aims made them try a little more concientiously than other writers to seek out all the reasons for the defeat and to weigh each one judiciously.

Both Whitlock and Bemis noted the activity of the striking employees of the Municipal Traction Company in campaigning against the grant. Both agreed that dissatisfaction with the service had something to do with the defeat of the franchise. Both were inclined to give more emphasis, however, to the large funds at the disposal of those who wanted to overthrow the Johnson-Goff settlement by cancelling the security grant. Bemis showed not only how the strikers were financed by interested parties, but also how money was spent for misleading advertisements which warned that a vote for the franchise was a vote for a five-cent fare. Whitlock, who was himself engaged in a bitter fight with a street railway company, revealed the interest street car companies all over the country felt in the defeat of the holding company plan. Both Bemis and Whitlock agreed that partisan feeling was an important factor in bringing about the defeat of the franchise. Coming as it did in the midst of the Presidential campaign of 1908 the referendum election gave many voters, even in a city as politically independent as Cleveland, a chance to feel that by voting against the Johnson plan of settlement they were voting against the Democrats and Bryan and for the Republicans and Taft. One thing we should notice in summary is that the referendum on the

[42] Hayden, "The Street Railway Settlement in Cleveland," *loc. cit.*, p. 411 and Paul L. Haworth, "Mayor Johnson of Cleveland. . . .," *The Outlook*, vol. XCII, p. 471 (Oct. 23, 1909).

[43] Whitlock to White, Jan. 16, 1909, *loc. cit.*, pp. 103–4 and Bemis, "The Cleveland Referendum on Street Railways," *op. cit.*, pp. 179–83. *The Public*, Oct. 30, 1908 has an interesting account of the referendum campaign.

security grant and the one on the Schmidt grant in the following year demonstrate the fallibility of the referendum as a popular weapon when the voters are blinded by partisan feeling and when their agencies of information are in the control of privilege.

VIII

AFTER THE FAILURE of the security grant the Municipal Traction Company was placed in receivership, not, the friends of the company insisted, because it was bankrupt or failing to meet its obligations, but because court control was felt desirable until a final settlement of the traction problem had been worked out. The iminence of the expiration of the old Concon franchises made it hard to raise funds and threatened the interest of the Concon bond-holders.[44] Yet even after the defeat of the security grant and the appointment of receivers, the city still held the whip hand in the fight. Three-cent fares were still being charged; the Council was still dominated by Johnson's supporters; and in February 1909 the Federal District Court ruled that Concon franchises on certain important streets had expired more than a year previously.[45] If it had chosen to take advantage of this decision the city could have continued its policy of granting franchises to low fare companies to operate on streets where Concon rights had expired. Within a year or two the city would have been blanketed by low fare franchises. Presumably the old company would then either have had to accept the city's terms or have been forced out of business.

This was the policy Johnson planned to follow after the Cleveland Railway Company turned down a plan of settlement contained in an ordinance drafted by City Solicitor Newton D. Baker. On June 7, 1909 Council issued a franchise (the Schmidt grant) to the Cleveland Traction Company. The original Schmidt grant simply authorized the Cleveland Traction Company to build and operate a three-cent fare street railway on Payne Avenue but later in the month considerable extensions to this franchise were granted. In the extensions were placed the regulatory provisions which the decision in the Hoefgen case prevented the council from writing into the original grant. Evidently the voters were wearying of the street car controversy for they rejected the Schmidt grant at a referendum election held on August 3, 1909.

[44] E. W. Bemis, "The Cleveland Referendum, Aug. 3," *The Independent*, vol. LXVII, pp. 222–3 (July 29, 1909). Judge Tayler's decision in the receivership suit is printed in *The Public*, vol. XI, pp. 802–4 (Nov. 20, 1908).

[45] Central Trust Co. of New York *v.* Municipal Traction Company *et al.*, vol. 16 Ohio Federal Decisions p. 311.

UNIVERSITY OF MICHIGAN LIBRARIES

From Johnson's viewpoint this referendum provided an almost perfect example of the political behavior of privilege. The center of opposition to the franchise was the Cleveland Chamber of Commerce, four hundred of the members of which owned over one-half of the stock of the Cleveland Railway Company. The Chamber circulated the petitions for the referendum and after sufficient petitions had been secured, it organized the Citizen's Committee of 100 which led the attack on the Schmidt grant. Intimately connected with the Chamber in helping to defeat this franchise were the banking institutions of the city. The bankers influenced the manufacturers and retailers, who, as advertisers, influenced the editorial policy of the newspapers. Papers which had either been opposed to settlement, or were only lukewarm for it at the time of the referendum on the security grant, now drummed home to the people "Settle. Settle. Settle. Settle or this traction war will ruin business."[46] Johnson thought that in blunt language what they wanted was a settlement on terms favorable to the railway company. He believed the company's refusal to consider the Baker ordinance indicated its unwillingness to make any important concessions voluntarily. "I am as eager for settlement as anyone," was his attitude, "but I want a settlement on the city's terms."[47]

The alternative favored by those who opposed Johnson's program of continued competition was an ordinance to be drafted by Judge Robert W. Tayler of the United States District Court. It was Judge Tayler who had appointed the receivers for the Municipal Traction Company. In letters to the receivers he had listed the points which he felt should be included in any permanent settlement of the street railway controversy. The essence of his plan was that street car riders should receive transportation at cost and that cost should include a six per cent return to the street car company on a fair valuation of its property.[48] At the time of the Schmidt grant the Cleveland Railway Company had promised to accept any ordinance drawn up by Judge Tayler and with the defeat of the Schmidt franchise the Council called upon Tayler to prepare an ordinance. On December 18, 1909, after Johnson had been defeated for re-election, but while he was still in office, the Tayler service at cost plan was accepted by both the Council and the Railway company. The Tayler grant went into effect in 1910 and with several later amendments, was the basic

[46] "Tom L. Johnson's Defeat," *The Public*, vol. XII, pp. 773–4 (Aug. 13, 1909), describes how privilege fought the Schmidt grant.

[47] For the Civic Revivalists' attitude toward an "immediate settlement" see Johnson, "My Story," p. 288; Bemis, "The Cleveland Referendum, Aug. 3," *loc. cit.*, and W. G. Osborn, "Questions and Answers," (Cleveland, 1909).

[48] For comment on the Tayler plan see Robert W. Tayler, "Service at Cost," *Franchises of the Cleveland Railway Company*, pp. 67–75.

franchise under which the Cleveland street railway system was operated until the city purchased the lines in the spring of 1942.[49]

IX

"THIS ORDINANCE is not a victory," said Johnson on the eve of the referendum at which the people upheld the Tayler grant. "It is a defeat."[50] A year before, he had expressed his approval of Judge Tayler's general ideas even as Tayler had expressed his approval of Johnson's aims. The real difference in viewpoint between Tayler and Johnson was revealed in the winter and spring of 1909 when the two men tried to work out an ordinance embodying the Tayler plan. The crux of the issue between them was the amount of supervison which the city should exercise over the Cleveland Railway Company if a new franchise were awarded to it, and the way in which the control should be exercised.

Service at cost was fundamentally a plan designed to leave the control of public utilities in private hands. Tayler proposed that the city "supervise" the street railway service through a Street Railway Commissioner and that disputes in regard to service, fares, or stock issues should be settled by a Board of Arbitration. Johnson suggested that the company could be held to even greater responsibility if the tenure of the franchise was made indeterminate. He wanted the franchise to reserve the city's right to name a purchaser for the line at any time after the franchise had been in effect for two years. Then if the company did not operate the street car system to the city's satisfaction, it could be supplanted by a new company more amenable to the city's desires. In the Tayler grant as passed in 1909 the city's right to name a purchaser was reserved to it, but it was not to be exercised until 1918 and was so hinged with qualifications and restrictions as to indicate that it would be practically impossible to apply. Johnson was more successful in inserting another provision for controlling the company in the Tayler grant. This was the famous "invalidity clause" which stated that if any of certain articles in the franchise were declared invalid by the courts, the city council was to regulate rates and service and to arbitrate disputes. If the company refused to assent to regulation by the council, then the whole franchise was to be forfeited.[51]

[49] On the Tayler grant see the following: E. W. Bemis, "The Cleveland Street Railway Settlement," *op. cit.*, pp. 550–60; T. L. Sidlo, "Cleveland's Street Railway Settlement," *The American Political Science Review*, vol. IV, pp. 279–86 (May, 1910). The ordinance is officially known as "Ordinance No. 16238-A" and is printed in *Ordinances of the Cleveland Railway Company.*

[50] Archer H. Shaw, "The Plain Dealer" (New York, 1942), p. 294 quoting an interview with Johnson in the *Cleveland Press*, Feb, 12, 1910.

[51] See T. L. Sidlo, "The Cleveland Invalidity Clause," *The Journal of Political Economy*, vol. XIV, pp. 124–8 (Feb. 1911).

UNIVERSITY OF MICHIGAN LIBRARIES

Even after his defeat for re-election Johnson insisted so stoutly on the inclusion of this clause that at last it was written into the grant. Both he and his City Solicitor, Newton D. Baker, had seen too many examples of franchises whose regulatory provisions had been voided by the courts while the privileges granted by the franchises were enforced.

The Tayler franchise provided for a sliding scale of fares with ten gradations up to a maximum of four cents and one cent for transfers. The initial rate, under which the cars were to be operated for at least eight months, was three cents with penny transfers. Johnson's chief practical objections to the Tayler grant was that the valuation allowed the railway company was too high and that control of the fare policy was left too much with the company. He felt that the owners of the Cleveland Railway Company not only had no positive interest in low fares but that their street railway holdings in other cities would actually make them try to discredit low fares. He suspected that the company looked upon the Tayler grant only as a stopgap and that sooner or later it would claim that even the maximum fares named in the ordinance was too low and would try to obtain the right to charge higher fares.[52] The history of street railway fares in Cleveland since 1910 shows that while the fare was kept at three cents until 1917, the maximum was later raised by successive amendments to the franchise.[53] In general, the history of the Tayler grant illustrates the history of the service-at-cost plan. Originating as a way of lowering fares, with the curtailment of investment opportunities it turned into a device to pull up fares so as to insure a six per cent return on private capital.[54]

X

THE BASIC REASON for Johnson's discontent with the Tayler grant as a means of settling the Cleveland street railway controversy was that it did not give full recognition to the doctrine of social values. The Tayler ordinance recognized the interest of the community in low fares and good service. It recognized the ultimate desirability of municipal ownership. But it was based on the theory that money in private possession is private property. Judge Tayler's ordinance looked upon the money made by a

[52] For criticism of the Tayler grant see Johnson, "My Story," p. 289; Bemis, "The Cleveland Street Railway Settlement," *loc. cit.*; and Osborn, "Questions and Answers," *op. cit.*, pp. 20–2.

[53] Straight three-cent fares went into effect in 1911 two months after Johnson's death. For the amendments to the Tayler grant see *Franchises of the Cleveland Railway Company.*

[54] Delos F. Wilcox, "An Analysis of the Electric Railway Problem" (New York, 1921), p. 434.

street car company primarily as a return upon the private capital invested in it. Tayler thought this investment must be protected and that the best way to protect it was to leave the management of the company to the investors. Johnson, on the other hand, looked behind the possession of wealth to see how it was produced. In the case of profits from the operation of a street railway company he thought the wealth was publicly created, for its source was the social necessity of transportation. At the opening of this paper we noted Johnson's insistence that his fight was not against private property, but to regain public property which had gone into private pockets. He thought the main emphasis of any street railway settlement should be on the assertion of public rights rather than on safe-guarding investments in the privilege of exploiting socially-created wealth. That is why Johnson could not support a settlement whose chief aim he thought was to protect private investors, and which left control of the policies of the company in the hands of men whose chief interest in the company was private profit.

The settlement of the street railway controversy in Toledo was postponed even longer than in Cleveland. During his last administration Jones vetoed an ordinance passed by the Republican Council granting the Toledo Railways and Light Company a twenty-five year renewal of its franchise rights. The Council would have passed the ordinance over his veto had not Negley D. Cochran's editorials in the Toledo *News-Bee* aroused public opinion aganist the franchise. After Jones' death in July 1904 similarly inspired popular demonstrations again prevented the passage of the franchise over the veto of his successor.

The Toledo street railway system, with an actual physical value of about five million dollars, was capitalized at about thirty million dollars. The company's important franchises ran out in 1910. Neither Jones nor Whitlock felt equipped by experience to undertake Johnson's arduous policy of introducing a competing company. Both hoped that if the city refused to pass any franchise renewals until the old ones were on the point of expiring, a favorable settlement could be made with the company. After the franchises had expired in 1910 the company was allowed to operate cars on sufferance. The absence of a franchise enabled the city to force the street railway company to consent to charge lower fares. Especially after the passage of the home rule constitutional amendments in 1912 Whitlock was in no hurry to reach a settlement, because he thought that municipal ownership was now a distinct possibility. In negotiations carried on with the company during his term the valuation of the company was the chief subject of dispute. The Whitlock admin-

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istration received valuable assistance from Clevelanders like Carl Nau, E. W. Bemis, Peter Witt, and Newton D. Baker in this matter. The street railway question was still unsettled when Whitlock left office. In 1920 the Milner plan, a service-at-cost settlement providing for ultimate municipal ownership, was adopted.[55]

[55] On the Toledo street railway question, see: Whitlock, "Forty Years of It," pp. 340–8; Whitlock, letters to E. W. Bemis, L. F. Post and John H. Flynn, Nevins, ed., "Letters," pp. 162–3, 150–1, 141–2 and 147; Wendell F. Johnson,, "Toledo's Non-Partisan Movement" (Toledo, 1922), pp. 17–22; Wendell F. Johnson, "Toledo's Street Car Question Settled," *The American City*, vol. XXIII. pp. 608–9 (Dec. 1920); and Wilcox, "An Analysis of the Electric Railway Problem," p. 763.

Ohio State University

Ending Illiteracy Among the Educated

SCIENTISTS MUST WRITE WELL. They are becoming more conscious of this all the time. Recently C. E. Rist, in charge of starch and dextrose work at the United States Department of Agriculture's Northern Regional Research Laboratory, Peoria, told the writer about a doctor of philosophy who had to be fired because he could not write comprehensible reports. Since you cannot be taught to write but must learn, the only sure way to make scientists write well is to compel them to do so as part of the prescribed course which leads to their undergraduate and graduate degrees.

But Mr. Rist differs with us about "officialese." He told of one employee who had just entered Government service and wrote "the hulls were removed by manual manipulation" instead of "by hand," and of another who, when filling out a form, asked: "What's a longer word for 'job'?" Sonorous, pompous, and scarcely understandable language is not necessarily governmental in origin. It can be a byproduct of the educational process. Thus a dignified and essentially dead language is developed in which to prepare scientific papers, reports, and addresses, as distinguished from the colloquial language of the living which is used for letters and conversation. Yet why have that special on-the-job language, asks Mr. Rist.

Dr. E. C. Lathrop who heads work on agricultural residues at the same lab and who is widely known for his slogan: "Agricultural waste is nobody's business," told us the impressively activated sentence the little boy used to wind up his story of Elijah and the bears. You remember the children were calling the prophet names and that angered him. So he told the children that if they kept that up he'd sic bears on them to eat them. And the boy concluded: "So they did and he did and the bears did." Well, there can be better writing than that, but not a great deal better!

T. S. H.

· COMMENT ·

On Justice as an Economic Concept

By ALEXANDER M. GOLDFINGER

HERBERT JOHNSON, in his article entitled "Economics and Ethics" (AMERICAN JOURNAL OF ECONOMICS AND SOCIOLOGY, January, 1950, page 217) holds that economics is an autonomous science that must be tied to the science of ethics. He maintains that economics supplies the means, ethics the end or goal to be achieved. Economics, he says, deals with facts that are true; ethics with what *ought* to be. Therefore, he concludes, the economist supplies the factual matter which ethics requires, but ethics is concerned with what man conceives to be the ultimate goal.

The concept of Johnson as to economics is limited to the production and distribution of wealth.[1] If the economist would mention "justice," Johnson would argue that this is an end to be achieved and invades the sphere of ethics.

So, likewise, might it be held as an end to be achieved if man seeks to survive. Is the desire for justice different from the desire to survive? If, within the sphere of economics, the science which treats of wealth and the natural laws governing its production and distribution by man in society, the desire of man to survive is accepted as a prerequisite, then it will be shown that man's seeking justice in the realm of production and distribution is likewise a prerequisite and does not betoken the inferiority of economics as an autonomous science to ethics.

Were there no men, there would be no science of economics or ethics, as these are predicated upon the existence of generic man. Man with all his attributes is a perequisite to these and other social sciences. Were there but one individual man, these sciences likewise would be impossible. Therefore, the existence of society is also prerequisite.

Among the attributes of generic man is the desire for survival. Another attribute is that man seeks to satisfy his desires with the least exertion. This principle of least effort is recognized as an inherent part of man in every field of his endeavor. Not alone in producing material

[1] *Op. cit., supra,* "The modern science of economics analyzes and describes the past and present efforts of men to acquire and use material wealth, and seeks whatever laws this analysis can be made to reveal."

UNIVERSITY OF MICHIGAN LIBRARIES

goods (wealth), but in the gratification of aesthetic, artistic and cultural pursuits.

George Kingsley Zipf of Harvard University in a scholarly treatise[2] proves that "From the moment that an organism begins to live, he attempts to survive with least effort in the environment in which he finds himself, and by means of the tools and matter-energy at his disposal."[3] Professor Zipf recognizes that an individual organism may exert more effort (work) than is needed to survive at a given time. He says "an organism at a given instant may have many choices of action, some of which may be of least work today and yet initiate a course of action which will by no means represent least work tomorrow. Since the existence of the organism is continual, then a life of least work will be one in which the expenditure of work over time is minimized; that is, the organism will minimize its average rate of work over time."[4]

Summarizing, Professor Zipf points out "This concept of least effort we discussed in our opening chapter. There we pointed out that an organism, in order to minimize its work throughout life, may not adopt a course of action today that minimizes its work today unless that course of action will also probably lead to successive courses of action in the future whose probable sum total of work expenditure will also be a minimum for the organism. In other words, we may say that an organism takes a path that will minimize its own probable average rate of work. For convenience we have expressed this by saying that all organisms behave with least effort."[5]

Although man *seeks* to gratify his desires with the least effort, his ability to do so is always limited by his knowledge of and possession of the means to be employed.

In his desire to survive, man requires food, shelter and clothing. The evolution of civilization, the cultural pattern of man's behavior, the very existence of society may be traced to man's desire for these necessities to survival. So, it will be shown that the concept of justice is but an evolutionary concept of man's desire to survive.

Primitive man satisfied his hunger from the fauna and flora of his environment. He had no concepts of "property rights," nor in satisfying his mating instincts did the modern concepts of relations between the

[2] "Human Behavior and the Principle of Least Effort," Addison-Wesley Press, Inc., 1949.

[3] *Ibid.*, p. 248.

[4] *Ibid.*, p. 212.

[5] *Ibid.*, p. 340.

sexes motivate him. When one individual succeeded in killing a food animal he feasted until sated. A prudent man might realize that by saving a part of the uneaten meat he would reduce the efforts he need exert in the near future when hunger again beckoned. But other men near him knew he killed the food animal and would seek their gratification from it. In order to save part for the future, he might be compelled to remain awake armed with weapons to repel an invader of his food supply.

Likewise, if a particular female gratified his desire for a mate, he might be loathe to lose her to a predatory neighbor. Again, to retain her he might be compelled to remain awake armed with weapons to repel an invader of his domestic circle.

Perhaps his experiences were shared by others. Watchful preparedness to repel aggressors required the expenditure of effort. Perhaps from some fertile brain, or perhaps simultaneously from several the idea was first set forth, then discussed and then adopted that "if you will not take from me the meat of a food animal I kill, I will not take from you the meat of a food animal you kill." And then "if you will not take from me 'my' female, I will not take 'yours'."

Here was a quid pro quo, an agreement to do or abstain from doing, given by one in exchange for a like agreement by another. The motive for such agreements was to save the expenditure of effort by each contracting party in his desire to survive.

Thus, the two "instincts," the two attributes of man were the hidden force which called into being these compacts.

It may be argued that there is no scientific proof available that these compacts were, in fact, ever made. True! But empirical proof is available that in the evolution of society, these agreements were made and recognized. In practically every one of the religions extant we find some form of what is known as the "Golden Rule"; "Do unto others that which they should do unto you" or the Oriental version "Do not unto others what you would not have them do unto you." The Oriental version is but a paraphrase of the compacts which our early ancestors made. These concepts for human relations come to us from very ancient sources. In essence, they are the epitome of all that the word or concept of "justice" implies.

Justice, then, had its origin, not in an advanced code of ethics, but in primitive man's desire to survive with the least expenditure of effort.

In the world today there is a deplorable degree of the absence of justice, so the concept is deemed an "end to be sought" an ultimate goal. In

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reality, a regime of equality of opportunity, an absence of coercion of one by another, of "do not unto others what you would not have them do unto you" would be a fulfillment of the two basic attributes of man, to survive and to do so with least expenditure of effort.

The economist, concerned with the science which treats of wealth and the laws governing its production and distribution by men in society, may properly posit justice as a prerequisite to the full and free operation of the laws of his science, noting deviations from justice and the effects thereof upon results achieved.

Rather than viewing justice as the end sought or goal to be achieved, thus putting it within the orbit of ethics, if it is accepted as the prerequisite to the full and free operation of the laws of economics then the economist can be the trained expert whose counsel and advice can lead the world out of its labyrinth of confusion and waste. He will then be not an automatic gatherer of statistics and graphs, but the counselor which the world sorely needs.

Newark, N. J.

The Road Ahead

THE FEELING IS UNIVERSAL that Russia is our greatest enemy. There is no question but that Russia is our obvious enemy, but our greatest enemy is an idea. That idea is communism with its retreat from freedom and liberty of the individual. If the great war should materialize and Russia and her satellites were vanquished, communism would still be here. Moreover, in the process of carrying on that war, we ourselves would continue down the road of the all-powerful State.

Our short-term problem is to win both the hot and cold wars which are upon us. Our long-run problem is to be the vanguard of the race of free men, which means a radical realignment of the economic policies of the State. Interference with free market relationships of agricultural products, raw materials, and finished goods, to achieve real freedom, must be gradually ended. Natural laws must be discovered and followed in economics just as they have been discovered and followed in mathematics, physics, chemistry and astronomy.

ROY A. FOULKE

New York

· REVIEWS ·

The Social Scientist in the 'Open Society'

By KENNETH E. BOCK

I

THE REACTION, or lack of reaction, of social scientists to the reappearance of totalitarianism in the second quarter of the twentieth century constitutes one of the most serious present dangers to democracy. A remarkable apathy on the part of some who profess a silent devotion to the institutions of representative democratic government has created an intellectual vacuum in which defenders of tyranny have actually been able to present the ancient tenets of their creed as the 'true' or 'real' democratic philosophy. More serious, perhaps, are the strangely misdirected efforts of honest men who, having experienced planned suffering, now propose (where proposals are still allowed) a planned democracy on a scale that denies discussion or choice. Equally disconcerting is the response of those who now see any political organization as Leviathan and who counsel, therefore, the 'social' control of men through institutions that are supposed to be incapable of oppression.

In this situation it is a rare and encouraging experience to read the lucid and vigorous affirmation of a liberal's position offered by Professor Karl Popper.[1] His statement will doubtless appear to many readers as lacking in system or method, as a too feeble directive to compete with the stirring and appealing ideologies that now beckon bewildered men into the "closed society" where all problems will be solved for them. For Popper comes close to advocating muddling through as a political program in itself; and for those who attribute the world's troubles to this policy rather than utopian planning his plea will be regarded as the last pitiful fruit of indecision. To others, however, who have long enjoyed the opportunity to engage in what he calls piecemeal social engineering, and to people who have allowed themselves the practice of his trial and error method of conducting public affairs, Professor Popper must make great sense.

The value of Popper's work as a defence of democracy calls for no lengthy comment here. His book speaks adequately for itself, and it speaks to the public, which, as Popper holds, must reach its own decision

[1] "The Open Society and Its Enemies," 2 vols., London, George Routledge & Sons, Ltd., 1945, reprinted, 1947.

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on these issues. "The Open Society," however, deals with other, though closely related, questions that are of concern to students of society in their rôle as scientists rather than citizens. In this area of methodological problems in the social sciences disagreement may be voiced which need not carry the disputants into the opposite camps of the closed and open societies. The purpose of what follows is to criticize Popper's conception of social science.

II

PROFESSOR POPPER ATTACKS the closed society through some of its alleged advocates, whom he calls historicist metaphysicians. His criticism is levelled at Plato and Hegel, on the one hand, and at Marx on the other. He is concerned not only with their political and social philosophies, but also with the method whereby they arrived at their recommendations for action. According to his analysis historicism claims the discovery of scientific laws of history that can be used for making prophecies. These laws are arrived at by an intuition of the 'essence' or 'nature' of such postulated entities as Society or Civilization or, more specifically, the State, the Spirit, or the Mode of Production. In a larger sense, the prophecies rest upon conceptions of the 'essential' character of History itself.

The critique of historicism offered by Popper, while brilliantly presented, is not strikingly new inasmuch as substantially the same blows have long been struck at what is generally called philosophy of history. But Popper's main concern is with peculiar consequences of the prophetic or oracular quality of historicism. It is this, he maintains, that has led men to regard themselves as dwelling in a 'Kingdom of Necessity' where political action is futile and an acknowledgement of individual responsibility meaningless. Historicist philosophy, he argues, appeals to history for the solution of problems that history cannot solve; it attempts to bridge the gap between normative and natural laws. When men have found themselves in difficulties, and especially when they have been caught in a transitional period between the closed and open societies which calls for the unfamiliar and frightening acceptance of individual instead of tribal responsibility, they have been willing to listen to the historicist. They have been ready and eager to accept all sorts of nonsense so long as it seemed to relieve them in their distress by offering once more the comfort of certainty, the protection of something exterior and apart from themselves. And somebody has always been willing to lead them honestly (Plato, Marx) or dishonestly (Hegel) back to their 'cage' by securing

their acceptance of a wholesale or utopian plan of social engineering that is dictated presumably not by the planners but by Destiny or History.

Such are the positive results of a surrender to historicism. Negatively, a belief in historical prophecy denies to men an opportunity to deal piecemeal or by trial and error with the particular and urgent problems immediately confronting them. They are led to seek a planned good rather than the removal of present specific evils, and failing the immediate arrival of the good society are content to await placidly its inevitable consummation.

If we accept this appraisal of historicism and its consequences then, according to Popper, we are warned against commitments to large scale planning of future history. Piecemeal social engineering aimed at alleviation of particular and immediate distress offers itself as the safest and most effective program. Planning is admissible only for the creation and maintenance of institutions that will provide the conditions of freedom indispensable for a continued pursuit of trial and error method. Such freedom, moreover, is to be sought not only in a system of political institutions that can check power monopolies, but also in a state of mind that resists the tyranny of ideas that place limits to what we can accomplish by our own doing.

When we turn to a consideration of Popper's recommendations to men as students of their affairs rather than actors in affairs, another sort of problem is presented. Although obviously less concerned with this problem, he nevertheless makes certain observations on the rôle and method of social science which, coupled with the force of his other arguments and in such close relation to them, are likely to have repercussions in areas of inquiry not thoroughly familiar to him that would run directly counter to his desires and purposes.

Popper's suggestion to the social scientist is that he proceed in his studies just as men should in their affairs: piecemeal.[2] The methods to be followed are those common to all the sciences—"The methods of trial and error, of inventing hypotheses which can be practically tested, and of submitting them to practical tests." That this conception of science corresponds closely to Popper's program for social action is made clear when he adds, "In other words, *a social technology is needed whose results can be tested by social engineering*" (II: 210). Observations of these tests will then presumably lay the foundation for an "empirical social science" (I: 245–6, n. 8 to ch. 9).

To the social *scientist* who takes his task seriously it will appear that

[2] The argument is thus just the obverse of Toynbee's in "A Study of History," I: 2–8.

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Popper has merely directed attention here to certain data and has said nothing about how that data might be handled to yield statements marked by a degree of probability justifying action based on them. He does not, however, leave us here; and the manner in which he extricates us is one of the most disquieting features of his book. Having discarded historicism as a species of "methodological essentialism," he now recommends, in its place, what he calls "methodological nominalism."

The latter sets up as the aim of science not only "the description of the things and events of our experience," but also "an 'explanation' of these events, i.e. their description with the help of universal laws" (I: 26). These laws are mentioned quite frequently by Popper, and when the reference is to society they are called "sociological laws" or "natural laws of social life" as distinguished from normative laws (II: 308, n. 10 to ch. 14). Such laws are not, Popper argues, to be confused with the broad developmental postulates announced by historicists. Yet he adds, "if there are such developmental regularities, their formulations would certainly fall under the category of sociological laws" (I: 56). Sociological laws are likened to theories of international trade or the trade cycle as constructed by economists. There are others, he says, connected with the functioning of social institutions, which (presumably) give us "some knowledge of social regularities which impose limitations upon what can be achieved by institutions" (*Ibid.*).[3] The only specific sociological law offered as an example is "the hypothesis that, wherever freedom of thought, and of the communication of thought, is effectively protected by legal institutions and institutions ensuring the publicity of discussion, there will be scientific progress" (II: 306, n. 13 to ch. 13).

It is evident, then, that Popper is not the radical empiricist his emphasis on trial and error or piecemeal methods suggests. There are, apparently certain generalizations that we can reach concerning human social experience. Each trial, each error, and every separate piece of human experience does not stand isolated from every other and beyond the relating grasp of understanding. The question still remains, then, as to how experience is to be used for reaching generalizations—or laws—that will constitute knowledge upon which men can act. Popper does not make this question irrelevant; indeed his entire approach presses most insistently for an answer to this question.

Popper rejects historicism in the first place because he is intent upon separating the concepts of natural and normative law. Since he has

[3] But compare: ". . . it is necessary to recognize as one of the principles of any unprejudiced view of politics that everything is possible in human affairs, . . ." (II: 185).

observed, quite correctly, a tendency to confuse laws of history with moral directives, he apparently believes that this error can be avoided by discarding the idea of historical law altogether. Secondly, he has come to distrust generalizations allegedly based upon historical study simply because they have so often proved completely false and ridiculous. Finally, he refers to what he calls the poverty of historicism as such: "The simple fact that even if we observe today what appears to be a historical tendency or trend, we cannot know whether it will have the same appearance tomorrow" (II: 181).

The first two reasons for discarding historicism do not raise the main methodological issue, although they are important to Popper and his exposition of them comprises a significant and valuable part of his book. But when Popper says on the one hand that we must seek to explain events and things in terms of universal laws and on the other that we cannot, in effect, learn anything from history, he confronts the social scientists with a curious dilemma indeed. He is asking social scientists, for example, to support the proposition that freedom of thought and communication leads to scientific progress, but to support it without reference to observations of where or when this has or has not been the case. He is asking sociologists to formulate laws descriptive of what goes on in time without attending to what has happened in time and place. In laymen's terms, he is telling us that since we do not *know* what tomorrow brings our memory is worthless.

Even if this were a real dilemma it would not do to forget the matter of sociological laws and retreat to the position of trial and error piecemeal engineering. It must be apparent that any trial and error to the solution of problems involves keeping records of trials made and errors committed. The record may lie only in the memory of a single man, but record there must be and it must be consulted if the whole procedure is to be anything more than aimless idiotic manipulation.[4] The social technologist *cannot* consider "the social effects of any measure which *might* be taken." (I: 19. Italics mine.) He can only tell us of the social effects of measures that *have been* taken at certain times in certain places and on this basis make systematic statements of probability of what might happen if we do so and so.

But Professor Popper does not retreat to the radical piecemeal position

[4] This holds, of course, even if the *ends* pursued are clearly established. Effective means to the ends are not self-evident; and if we are to try and err and try and err again in seeking them it will do us no good if we do not *remember* what has been done and its consequences.

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when it comes to his own investigation of problems that disturb him. Nor does he turn his back on history in seeking solutions whether those be problems of method or problems in human affairs. "If anything then," he remarks, "historism must be understood as a historical product" (II: 243). This observation indicates the direction of most of his methodological inquiry. He maintains, for example, that the test of the scientific quality of a theory is the possibility of overthrowing it, adding that "This view of scientific method is corroborated by the history of science . . ." (II: 247). Again, in considering how the difference between natural and normative laws "developed," he describes a process in terms of stages ranging from naïve monism (characteristic of tribal society) to critical dualism (characteristic of the open society) with several intermediate steps (I: 50–51). Even in asserting that his observations are only "scattered marginal notes" to a "history of historicism" (II: 246) then, Popper is still admitting the obvious fact that his approach to the problem of method in the social sciences is a historical approach.

The same is true of his treatment of problems in affairs. He grapples with the phenomenon of totalitarianism in a very broadly conceived historical setting. He sees our civilization as the product of a transition from the tribal or closed society to the open society, but a transition that has repeatedly proved so difficult that reactionary movements have set in which attempted to return men to tribalism. Modern totalitarianism is regarded as the latest of such movements (I: 1, *et passim*). Popper develops this point of view in some historical detail with regard to Greek society (Chap. 10), and his appeal to historical evidence is again apparent when he seeks to refute Marx's prophecy of the coming of socialism. In the latter instance he undertakes a demonstration of how his "theoretical criticism is borne out by experience" (II: 129; see also II: 149). Specifically, he points out that "statistics no longer show any tendency for the number of industrial workers to increase in relation to the other classes of the population" (II: 145). Marx's prophecy of the increasing misery of the working class "has been definitely refuted by later experience" (II: 170).

Both by example and by precept Popper calls for a historical study of human experiences. He sees the aim of science in the "description of the things and events of our experience" and in an explanation of events with the help of "universal laws" (I: 26). Nor in his particular study does he confine "experience" to the local and contemporary; he ranges all the way from Heraclitus to Hitler, from ancient Greece to modern Austria,

and seeks in historical perspective a clearer understanding of problems in his present. Yet, such is his fear of oracular philosophy that he will not claim scientific status for historical study or its results. He chooses to see the product of his work as an "interpretation," a "point of view" rather than an "ordinary hypothesis." Nevertheless, he claims for his interpretation a value that lies "in its fertility, in its power to throw light upon the historical materials, to lead us to find new material, and to help us to rationalize and unify it" (I: 151). What more can science claim for its hypotheses?

The confusion arising from the simultaneous use and denial of history may be attributed again to Popper's concern to distinguish between normative and natural laws. He argues that history cannot be used to make moral decisions for us. Yet it is obvious to him at the same time that men cannot afford to ignore experience. So, he maintains that "whenever we are faced with a moral decision of a more abstract kind, it is most helpful to analyze carefully the consequences which are likely to result from the alternatives between which we have to choose" (II: 219). Social scientists would probably agree that the analysis of consequences is their proper function, but the question remains, How? At this critical point Popper can only advise that we "visualize these consequences" (*Ibid.*), that we come to "an analysis of the concrete consequences, and their clear realization in what we call our 'imagination,' . . . (II: 220). But it must be urged once more at this juncture that science cannot analyze "likely" consequences, that (as Popper himself demonstrates so clearly) science does not deal in prophecy but only in the description and analysis of what is observed. The only consequences about which we can have any knowledge are past consequences—*i.e.*, a part of our historical experiences. If there is no probability whatever that such historical experiences have any relevance to the present and future, then indeed we are compelled to rely upon vision and imagination as our only guides in reaching decisions, and oracular philosophy must take the place of science. Again it is only fair to say that Popper's historical approach in itself denies his acceptance of such an orientation.

It would appear that the contradictions evident in Popper's position can finally be resolved only in the light of his acceptance of the traditional separation between the study of history and the other social sciences, such as sociology. He remarks in a note that "discussions on the problem of the method of history have long ago brought out the fact that history is interested in specific events rather than in general laws" (II: 344, n. 7 to

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ch. 25). Elsewhere he makes it evident that a radical distinction is to be drawn between the study of specific events and the formulation of generalizations about society; the former belongs to history, the latter to sociology (II: 250–251). The consequences of this separation are too well known to require comment here. Its fruits are evident in the tiresome reappearance of theories of social change formulated without reference to anything changing anywhere at any time.

A typical result of the divorce between history and sociology is noticeable in one of Popper's recommendations. He is adamant on the point that history cannot be planned on paper. "But," he goes on, "*institutions* can be planned; and they are being planned" (II: 132). The implication is obvious: institutions are not 'in' history. They must be regarded as having no specific temporal existence or geographical setting. Their coming to be as well as their changes must be considered apart from anything "happening." They are simply machines, instruments, or devices available to social engineers for the purpose of effecting certain technologies and reaching certain desired ends. Quite apart from the argument that this is simply a blind attitude to take toward institutions, it must be pointed out that it is not, in fact, Popper's attitude.

He recommends the establishment of "institutions to safeguard freedom," but this is not with him simply a vague moral judgment. He is concerned about certain kinds of freedom. Not Hegel's freedom as the recognition of necessity. Not Plato's freedom as the acceptance of a place in society. Not Marx's freedom as something to be achieved only in a kingdom yet to be inevitably realized. Nor yet that nineteenth century freedom of "enterprise"; nor freedom from all political controls; nor freedom from planning as such. Why are these freedoms rejected? Because they do not stand up under *historical* examination as being in accord with Popper's conception of freedom.

He claims that institutions embodying such conceptions of freedom have not *in the past* resulted in conditions that we might agree are desirable. Remove this historical point of view and there is nothing left in Popper's thesis. Admit his contention that what happened yesterday is irrelevant to what happens today or will happen tomorrow, and there is no point at all to nine-tenths of his book.

III

THE ABOVE CRITIQUE is, of course, altogether too harsh. I confess to a technique (employed by Popper himself) of tearing certain ideas from their context and attacking them in the absence of their allies. Yet my

concern has been chiefly with students who might distinguish these ideas and use them. The tendency among social scientists to indulge in theorization about what 'goes on' in Society without bothering about what has 'happened' in societies is already so pronounced that any encouragement, direct or indirect, should be avoided.

Popper's deft and forceful assault upon historicism contains a valuable methodological lesson. But its value does not lie in the implication that Plato, Hegel, and Marx exemplify the futility and danger of any attempt to make scientific use of the materials of recorded history for reaching generalizations about human experience. There is no justification in Popper's admirable criticism of methodological essentialism for the conclusion that we must separate the study of events from the framing of generalizations. It is apparent from his analysis, in fact, that the historicists he deals with did not seek to draw generalizations from event series, but rather selected events to illustrate a thesis. Popper's analysis demonstrates the unscientific character of such attempts. Whether or not specific historical data can be employed for the purpose of reaching statements of processes in history remains an open question.

There can be no doubt, however, about Professor Popper's stand on this question. The awful example of the philosopher of history has convinced him that the study of history should be left to the historians proper. His concern to free men from a historically determined 'Kingdom of Necessity' has led him to the rather remarkable assumption that historical events are unique. In these circumstances, he concludes, we can only "learn to do things as well as we can, and to look out for our mistakes" (II: 266).

Given the state of our knowledge about society, an admonition to cautious trial and error methods in social *action* is quite appropriate. Given, however, that same state of knowledge, a bold plan of scientific reconstruction *in the social sciences* is imperative. That a connection between the two endeavors properly exists is obvious, as Popper indicates. But if experience in social action is the basis for a science of society then we cannot ignore the vast historical records of experiences. A generalizing social science must devise procedures for using those records.

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Politics and Economics in Chinese Agriculture

THE ARCHAIC PATTERN of Chinese agriculture, rooted as it is in centuries of tradition, is a hard one to change.

Chinese farm plots are small and irregular, better adapted to hand tilling than to modern machinery, with ditches and dikes making jigsaw barriers everywhere. Farm equipment is of Biblical times and implement dealers, hardware stores, garages, and filling stations occur only in the biggest cities. Average gross income per farm is $50 a year, represents the work of a half-dozen persons and, with taxes, leaves little for investment in equipment. Social customs—such as the necessity for leaving some grain in each field for the gleaners—add to the difficulty of using American machines which do a thorough pick-up job. Canals and paths form roads to market and farmers often walk miles carrying their produce; surpluses can easily occur within a few miles of starvation because transportation is so poor.

It was found that the 1½-horsepower garden tractor which, with all attachments, costs about as much as a water buffalo, can plow much more area per day than the animal. Chinese hand methods require 260 man-hours per acre of wheat, whereas 13 will do using imported U. S. machinery, and a tractor-mower will cut as much grass in 10 minutes as 10 men could in a full day by hand. But the Chinese are ambitious and intelligent; young Chinese quickly become good mechanics. They are handicapped in getting ahead, however, by obstacles like raids by bandits and by tax gatherers. Some parts of China are ready for mechanization but internal stability must precede farm modernization.

T. S. H.

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